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27 January 1986

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REGIONAL AFFAIRS

GCC STATES PLAN UNIFIED CUSTOMS REGULATIONS

Dubayy AL-BAYAN in Arabic 19 Sep 85 p 2

[Article by 'Ali Lashin: "Committee of Experts To Draw Up Uniform Customs Tariffs. Border Entry and Exit Procedures For Individuals and Goods to Be Simplified"]

[Text] The eighth conference of customs directors in the GCC states of the Arab Gulf has concluded its work after a 2-day meeting in Dubayy.

Dr 'Abdallah al-Quwayz, the GCC deputy secretary general for economic and financial affairs, who has attended the sessions of the conference, announced that the customs directors have discussed in their regular biannual conference those items that will result in easing trade between GCC states, and that they considered the volume of this trade and the possibility of increasing it in the coming months and years.

In addition, they also discussed the subject of the customs institute, approving its basic organizational make up, which was previously submitted by a technical committee. They also requested that the GCC general secretariat draft the institute's budget and estimate the costs of its establishment.

The conference also discussed the possibility of coming up with a procedure for returning customs duties on foreign goods in the event of their being reexported from one country to another within the GCC. A text for such a procedure which took note of the comments of all the member states on the subject has been formulated. But the existence of procedures and laws for the protection of local agents in some of the council states makes the enforcement of such a procedure unfair, and that is why it was decided to submit the whole matter to the coming meeting of the ministers of finance and the economy.

The customs directors also discussed setting up a program to unify customs tariffs between member states and the outside world within the time limit delineated by the economic agreement, which is March 1987.

It has been agreed in this regard that a committee of experts on tariffs will meet to propose such a program, it being slated to meet at the general secretariate in Riyadh in January 1986.

They also discussed the possibility of easing entry and exit procedures for goods and individuals and agreed that implementing this would be possible by

way of simplifying and unifying samples, procedures and registers. A committee from Saudi Arabia and Kuwait will convene a number of successive meetings in order to arrive at such a simplification, and when the experiment between the two states proves to be successful, it will be extended to the rest of the land border posts between member states in the council.

The conference also reviewed the complaints that are being made by some companies and individuals about the treatment they had encountered from customs authorities when transporting goods from one state to another within the council. All these complaints have been dealt with, including the one made by cattle merchants in Dubayy about transporting sheep and cattle caravans from Turkey and Syria without permitting them to stop in Saudi Arabia. After studying the matter, the competent authorities have agreed to permit them repeated stopovers while transiting the Kingdom.

The second complaint, also from the Emirates, came from one of the food oil companies, which complained that Baharain has imposed customs duties on the company even though its production is considered to be national. The chief of the Bahrain delegation mentioned that it was discovered that the name of the company in certificates of origin did not correspond with its name on the oil containers that it exports to the Bahrain market. It was agreed to unify the name and solve the problem.

The third complaint to be discussed was from agricultural products merchants in Saudi Arabia who are subjected to long delays at the Kuwaiti border, resulting in damages to their products from exposure to the heat of the sun. It was possible to find the required solutions for this problem by having these products hauled in the early morning and easing the pocedures for their entry.

The Saudi director of customs also explained the aim of the kingdom's recent decision to forbid entry of refrigerator trucks to its territory when carrying goods intended for the Saudi market, and said that this decision is being implemented with regard to everyone, including the Saudis themselves. It is not being implemented, however, on refrigerator trucks transiting to the Gulf markets.

He also said that this confirms that matters are proceeding as they should, as in spite of the steady increase in the volume of trade between council states, problems are few and limited.

Concluding his remarks, he said that the next conference of customs directors will be held in 6 months in Musqat.

On another subject, Ibrahim 'Abdallah al-Ghanim, the general director of maritime customs, the chief of the Kuwaiti delegation, and the current conference president, announced that an agreement was reached for the heads of the Israeli boycott bureaus of the Gulf states to meet during October 1985 in Saudi Arabia with the aim of uniting opinions among GCC states before the convening of the upcoming general boycott conference in Damascus.

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CSO: 4404/113

REGIONAL AFFAIRS

ARAB POPULATION GROWTH TRENDS SUMMARIZED

Dubayy AL-BAYAN in Arabic 20 Sep 85 p 3

[Article: "The 1985 Unified Arab Economic Report. Population of the Arab Homeland To Exceed 190 Million at the End of This Year"]

[Text] The 1985 unified Arab economic report which will come out soon indicates that the population of the Arab homeland reached approximately 186 million inhabitants in 1984, while it is expected that this number will rise to 192 million inhabitants at the end of 1985 and up to 288 million in the year 2000.

This report, which was prepared with the participation of the general secretariat of the Arab League, the Arab Monetary Fund, the Arab Fund for Economic and Social Development, and the Organization of Arab Petroleum Exporting Countries stated that in terms of population Egypt was in the vanguard of the Arab states with a population that reached approximately 46 million in 1984, while the population of each of three other Arab states exceeded 20 million inhabitants, they being Morocco with 22 million and Algeria and the Sudan with 21 million inhabitants each.

Thus Egypt, Morocco, Algeria, and the Sudan, all situated in Africa, comprise more than half the population of the Arab homeland as these four states contain 111 million inhabitants.

Among the Arab states with a population reaching 15 million or less, however, are Iraq with 15 million, Saudi Arabia with 11 million and Syria with 10 million.

As for the GCC states, the biggest population count is in Saudi Arabia, followed by Kuwait with 1.703 million inhabitants, the Emirates with 1.255 million, the Sultanate of Oman with 1.181 million, Bahrain with 414,000, and Qatar with 291,000.

The report also draws attention to the growth in the urban population of the Arab homeland which now comprises 60.4 percent of the total population.

The highest percentage in the urban population of the Arab homeland occurred in the GCC countries, with the exception of the Sultanate of Oman where the

percentage of city dwellers is approximately 9 percent only. This percentage rises to 93 percent in Kuwait, 88 percent in Qatar, 81 percent in Bahrain, 77 percent in the Emirates and 73 percent in Saudi Arabia.

The report ascribes the reasons for the migration of the population to the cities to the concentration of projects in drilling areas and to poverty in agricultural areas as a result of the geographical nature of the region.

The percentages of urban populations in Arab countries with high populations amount to 66 percent in Algeria, 46 percent in Egypt, 43 percent in Morocco, and 29.4 percent in the Sudan.

The report explained that the natural rate of growth in the Arab homeland is among the highest in the world, amounting in the period between 1980 and 1985 to 3.24 percent as opposed to 1.7 percent worldwide, 0.6 percent in the advanced industrial states, and 2 percent in the developing countries.

The natural growth rates vary perceptibly in the Arab countries, and are distinguished by their high range in those states with comparatively big populations, amounting to 2.8 percent in Algeria, 2.7 percent in the Sudan, 2.6 percent in Morocco, and 2 percent in Egypt.

Jordan is the Arab country with the highest growth rate, with 3.9 percent, followed by Syria with 2.3 [as published] percent, Libya with 3.2 percent, Mauritania and Saudi Arabia each with 3 percent, Lebanon with 1.8 percent, Tunis with 1.7 percent, and the UAE with 1.6 percent.

The report ascribes the rise in the natural growth rate in the Arab homeland basically to the rise in the birth rate, still maintaining its high range, which is in excess of 40 per thousand and which is not expected to fall in the near future.

The birth rate exceeds 40 per thousand in 12 Arab states and reaches 50 per thousand in Mauritania. It is in the Emirates, however, that the lowest birth rate of the Arab states, 27 per thousand, is recorded, while in Qatar it amounts to 30 per thousand, 36 per thousand in Kuwait and 38 per thousand in Egypt.

On the other hand, the aggregate death rate has recorded a visible decline in all the Arab states, amounting in most of them to approximately 10 per thousand, while not exceeding 4 per thousand in the Emirates, 2.5 per thousand in Kuwait and Bahrain, and 4.6 per thousand in Qatar.

The population of the Arab homeland is distinguished by a population distribution in which the lower age groups predominate, with approximately 45 percent of the population below 14 years of age. This is a very high percentage in comparison with its equivalent worldwide, which averages approximately 24 percent, and which does not exceed 22 percent in the advanced countries and 38 percent in the developing countries.

This high percentage underlines the great burdens resulting from maintaining and educating this group of the population.

The age group that is above 65 years of age on the other hand clearly comprises a low percentage in the Arab homeland, reaching 2.9 percent as opposed to 11 percent in the advanced countries and 4 percent in the developing countries.

As for the work force, in spite of the high percentage of the population in the age group between 15 and 65 years, which represents more than 50 percent of the total population, the percentage of those working among them is low because the majority of the women are kept away from work outside the home on the one hand, and children who are less than 15 years of age and who sometimes can be as young as 5 years old are being employed, on the other.

According to 1985 estimates, the number of individuals of working age in the Arab homeland is approximately 103 million, most of them living in the group of Arab states with high populations, which in general are characterized by the fact that part of their work force is employed abroad, in Arab or foreign countries.

Egypt comes at the head of these countries inasmuch as its number of working age inhabitants amounts to approximately 23 million, while Morocco has 12 million; Algeria and the Sudan, 11 million each; Tunis, 4 million; and North Yemen, 2.3 million.

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REGIONAL AFFAIRS

COLLOQUIUM ON SATELLITE NETWORK HELD IN TUNISIA

Tunis DIALOGUE in French 11 Nov 85 pp 20-21

[Text] Under the distinguished patronage of Tunisian Prime Minister Mohamed Mzali and French Prime Minister Laurent Fabius an International Colloquium on Communications, Imaging Transmission, and Direct Broadcast Satellites, was opened on 10 November by Tunisian Minister of Communications Brahim Khouaja. It was the scene of a broad debate on future developments in this area, particularly in terms of the use of satellite networks. Among those participating in the meeting were Mustapha Masmoudi, president of the Tunisian Communications Association, and Louis Perrein, president of the Mediterranean Communications Institute.

An important question was considered at the very beginning of the meeting: the Arab satellite, "ARABSAT."

During 1985, two Arab satellites were launched on 7 February and 17 June. These launches marked the entry into operation of the ARABSAT system, a new satellite communications network.

This system has the mission of providing various communications services (telephone, television, video conferences, etc) to the 22 countries of the Arab League, an area of great importance.

ARABSAT 1C, a third satellite, is being kept in reserve on the ground.

This space activity also includes a ground satellite control network equipped with substantial resources and divided between Saudi Arabia and Tunisia.

The ground segment of the system will eventually include 22 large communications stations forming the basis for fixed service and for many stations of lesser size (at present about 50 percent of the large stations have been provided for). This sector will also be equipped with complex equipment for traffic management.

The system will have substantial capacity. The use of tested technologies for the useful payloads of the satellites will make it possible for each of them to be capable simultaneously of handling 8,000 telephone circuits, seven TV programs, one community-wide TV program, communications services with stations on the C Band with antennas of 11 to 16 meters in diameter, and the distribution of TV programs to a part of the community (C Band) and to the whole community (S Band).

Another characteristic of the system is its reliability. (There are two satellites in operation, having the capability of supporting networks on board, in view of the size of the ground control equipment.)

In conclusion, this system has characteristics giving it broad capabilities in the communications area which should make possible the development of new services and applications for the welfare and progress of the countries using it.

What Technology?

Are the industrialized countries wise enough to prepare a strategy for technology transfer? Are the powerful countries so foolish as to continue to look to their own power in a world whose functioning has been hampered by competing national interests?

The founders of the Mediterranean Communications Institute do not wish merely to think about the stakes involved in the media revolution. They wish to propose solutions so that the rich cultural inheritance of the Mediterranean will not be submerged by the dead hand of uniformity.

The peoples of the Mediterranean, who have given the world almost all of its great philosophies and almost all of the great religions, who have created the great currents of modern thought, have something to contribute to the chorus of voices in the world.

Communications satellites cannot be allowed to remain passive, because they are increasingly the vehicles for the dominant culture. Passivity is the beginning of cultural and therefore of scientific and technological suffocation.

Certainly, the obstacles are numerous. On the northern and southern shores of the Mediterranean we can see the cumulative delays resulting from years of colonialism and fratricidal struggle. The object is to overcome these obstacles and not merely to bypass them.

Already voices are being heard which are calling not only for transfers of technologies but also for a general settlement of the debts owed by the developing countries.

Avoiding Any Form of Cultural Colonization

Therefore, the Arab countries are more concerned than other countries by the implications of direct satellite broadcasting of programs which could be incompatible with their moral and cultural values.

In this context Mohamed Mzali, Tunisian prime minister and minister of the interior, emphasized the dangers flowing from the monopolization of these satellites by certain countries and the imposition of their ideologies and ways of thinking and behaving on other peoples.

In effect, the shortage of available programs and the economics of production make it possible to foresee the danger of real cultural colonialism or at least the development of basically uniform programs by the countries which have the most equipment.

This is what we are seeing at present, both in Canada as well as in Japan.

This change in values can only be combated effectively by developing other information media which are firmly based on daily life and which are suitable to the environment of each society.

That could involve the sharing of resources by related groups in the defense of their cultural inheritances.

Still speaking in this same context, Lardeux explained the French political decision to counter the invasion of cable and media distribution systems by electronic products disseminated by the U. S. A. and Japan throughout the world.

In concrete and creative terms a specialized center would pose the problems of cultural identity and of the necessary conversion of the television art into an industry in a way which would not kill the specific sensitivities of the "consumers."

In this regard Europe, at the initiative of France, intends to develop an area of "cooperation" with the countries of the Third World, which are also victims of a kind of television imperialism which has been made sterile and falsely neutral by the two giants of the media industry.

Therefore, it will be necessary to join our efforts to find adequate solutions for the problems related to the eventual, anarchistic exploitation of satellite broadcasting, which could have a negative impact on the culture of the countries which receive the programs distributed by the satellites in question.

Bringing the Peoples Together

The scientific progress made in the broadcasting area by satellites should be a factor for bringing the peoples together, said Prime Minister Mzali. It should contribute to the enrichment of universal civilization through the identification of complementary points and the cross fertilization of the different national cultures, because the future of humanity, after all, is unity in diversity.

Finally, in achieving this task of civilization, we expect a great deal from the modern means of communications and particularly from information networks and direct television broadcasting by satellites. For technical reasons these broadcasts inevitably will go beyond national borders.

For the exploitation of these new media in the political, economic, and cultural areas, European and Arab cooperation has become an absolute necessity.

Consequently, it is essential to work to develop new and original solutions and to act in such a way that the appreciable advantages offered by the new technologies are not tarnished by their negative aspects and that the great hopes placed in these systems to regain the ground lost in the development area do not simply evaporate.

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CSO: 5500/4605

ARMENIAN AFFAIRS

ANKARA REACTS TO 'PRO-ARMENIAN' ATTITUDES OF U.S. AUTHORITIES

Istanbul MARMARA in Armenian 9 Nov 85 p 1

[Text] The HURRIYET correspondent reports from Los Angeles:

President Reagan has nominated Dickran Tevrizian, a 45-year old Armenian lawyer, as a judge to one of the two federal courts created by Congress for Los Angeles. The nominee for the second court position is Spencer Letz, a 50-year-old lawyer.

The president's appointments will be finalized after they are reviewed and approved by the U.S. Senate. It is reported that before his term of office expires in 1988, President Reagan will appoint 743 new judges for the two federal courts and their regional courts. It is believed that Reagan will select for these positions appointees who will be sympathetic to the views of the Republican Party and who will work for the interests of the party.

Foreign Ministry Comments on Recent Armenian Activities in U.S.

The Foreign Ministry has reacted to two recent Armenian acts related to the "Armenian genocide."

As is known, a while ago it was decided at the instructions of California's Armenian governor, George Deukmejian, to offer courses on the "Armenian genocide" to junior high and high school students beginning with the next academic year. The second Armenian act was to place a memorial commemorating the "Armenian genocide" on New York's Union Square.

Foreign Ministry spokesman Yavuz Eralp made the following statement on this issue:

"During the formative years of the United States, most of the immigrants went there to escape various forms of oppression in their places of birth and to start new lives. Now, when one forgets that he is the governor of all Californians and tries to teach youngsters courses of hostility, hatred and revenge in connection with nonexistent events, one is disregarding the fundamental principles of the formation of that country and abusing an important and responsible office that has been entrusted to him."

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CSO: 4605/18

ALGERIA

LIBYANS ACCUSED OF INCITING BERBER SEPARATISM

London AL-DUSTUR in Arabic 25 Nov 85 p 17-19

[Article by Mustafa al-'Alawi: "The True Dimensions of the Tizi Ouzou Incidents: Who Incites the Berbers to Secede?]

[Text] The call for Berber Secession from Algeria is not encouraged by France alone but is supported with arms and funds from Arab quarters. What are these quarters? Why do they disregard [the fact that] that Berbers have Arab origins? Will this suspect movement be confined to Algerian soil or will it extend to other lands in the Arab Maghreb? The following article attempts answers to these questions and points out some characteristics of the problem in light of incidents in Tizi Ouzou in Algeria.

"Racial movements and incidents in the Tizi Ouzou region of Algeria are merely manifestations of Franco-American Western imperialism that manipulates minorities with secessionist ambitions."

That is Libyan Col Mu'ammarr al-Qadhdhafi's judgement of the Tizi Ouzou incidents as published by the newspaper AL-ZAHF AL-AKHDAR [The Green March] quoting from an address at the festivities in a camp in the town of Jadu.

That pronouncement, however, was made by Col al-Qadhdhafi 5 years ago, on 14 July 1980 to be exact.

How, then, can the Libyan president comment 5 years earlier on incidents that happened during the final days of October of 1985?

It is neither a secret nor a miracle since, in fact, the Tizi Ouzou incidents began in Algeria in April of 1980.

This is the perspective from which one should view these bloody clashes as Algerian army troops and gendarmerie armed rebels. Yet this caused no rejoicing in any of the Arab Maghreb countries despite such hostilities as exist between Algeria and Morocco or Libya and Algeria.

The French press dealing with events in the region does not customarily take down from its "shelves of expressions" some of the sentences which LE MONDE used to comment on the Tizi Ouzou incidents. LE MONDE used such incidents in Algeria such as the students electing "coordinating committees" and police cars patrolling lanes where all shops were closed!!

The French media such as Agence France Presse for instance, reported that the recent incidents were more serious than those of 1980.

Unable to surround the so-called "maquis" in the vicinity of Algiers, according to LE MONDE, Algerian forces had to task the "wali" of the region with conducting direct negotiations with the rebels and with releasing jailed students in order to restore peace and security. Still, the students rejected a solution by the "Independent Association", a new formation in the lexicon of the Algerian state. This association called for "recognition of the Berber language as an official language in addition to Arabic." This is the crux of the matter.

The incidents of October of 1985, the attack on Soumaa barracks three months ago, and new talk--official in Algeria--on armed confrontations with the rebels who seized weapons from the Soumaa barracks--these are considered incidents with roots that go back to 1980 if not before.

Despite the fact that at the time Col al-Qadhdhafi not incorrectly denounced those incidents, as the design of imperialism, nevertheless, he did not deny reports in the 12 September 1979 issue of the Paris magazine JEUNE AFRIQUE that "a Berber secessionist movement was being formed in Libya and that the Libyan regime charged a Berber from the Western Atlas with the supervision of that organization."

Also in 1979, the so-called "Berber Liberation Front" was formed in Paris. An Arabic magazine reported at that time that the constituent assembly of that front was attended by the ambassador of an Arab country. The front had stated then that it would carry out its activities on Algerian soil.

Sure enough, incidents occurred in Tizi Ouzou in April, 1980--the same Tizi Ouzou that is linked with the history of the Algerian Revolution and its leaders.

In his book "Memoirs of a Freedom-Fighter", Hocine Ait Ahmed, a leader of the Algerian Berber movement currently living in Paris as a political refugee, says of Tizi Ouzou's role in his revolutionary life: "The most important turning point of my life occurred in Tizi Ouzou to which I fled in January 1943. Everything was [learned] there in the seats of a secondary school.

And here we are in 1985 with incidents emanating from the secondary schools and University of Tizi Ouzou as a response to a popular song by the singer Benjelli who became, or has almost become, the symbol for something that was planned in Paris no doubt by a group of those who had planned the Algerian revolution itself. Hocine Ait Ahmed, Ahmed Harbi, and Abdelkader Rahmani, an old hand in Berber affairs who has, through many years of writing in the French press, been laying the foundation for an announcement of a Berber secession in North Africa.

This would probably be the first and only time that the old Arabic proverb "One person's disaster is someone else's windfall" does not apply to the Algerian-Moroccan conflict. This is one time that one doesn't see the tinder in his brother's eye without noticing the splinter in his own.

This is because the Algerian government alone can appreciate the dimensions of the Tizi Ouzou incidents and the sentences which were issued against the local rebels without reaching those "refugee Agitators" in France who laid the groundwork for a far reaching movement. Indeed these are fated to be among Algeria's problems.

The Algerian government has difficulty in downplaying the size of these incidents and in branding them as "lawlessness and arms thefts" when memory is still fresh with incidents that also took place in Tizi Ouzou in March 1981 on the first anniversary of the April 1980 incidents.

Pamphlets on the "Kabyle Spring" distributed in March of 1981, brought back to memory the 1980 incidents and called for, peacefully and through moral persuasion, recognition of a Berber entity and Amazigh (Berber) culture. Response to the Tizi Ouzou pamphlets came quickly from university students in Algiers who demonstrated and denounced what the REUTER Agency reported about them as "a monopoly of cultural discussion by the Algerian [National] Liberation Front." The Algerie Presse Service (APS) hastened (on 15 March 1981) to hint at "dangers that threaten national unity." Indeed, the Algerian agency asserted that "the Arab Islamic choice was the only alternative for Algeria."

The capital cooled down somewhat after the passing of the "Kabyle Spring" in 1981 only to heat up again in the following July when Tizi Ouzou students decided to create what they called "the Berber summer university."

The Algerian government had to resort to force. It deployed 1,500 gendarmes to occupy the university in Tizi Ouzou. Student circles invited residents of the Tizi Ouzou area to mobilize against the ban by the authorities. Students on campus declared a quasi-rebellion on 4 August.

Meanwhile, Morocco felt the intensity of the Berber-oriented student movement in Algeria. LE MATIN [DU SAHARA], a Moroccan paper close to the government, announced in the issue of 24 July 1985 the creation of an "institute for Berber language research and study, in recognition of the close ties that language has to the history of Morocco."

Incidents in Algeria did not stop with the summer of 1981 but spread to France where editors of LE MONDE were surprised on 5 October 1981 by crowds of Algerian students, members of a group called "Opponents of Algerian Pressure", who demanded that the paper expose what they called "Algerian government arbitrariness in jailing and torturing those who freely express their ideas."

They were received by journalist Paul Balta, a sympathizer of the Algerian government, who told them: "we accept your viewpoint but reject your threats." The students became furious and shouted at the editor: "Aren't the voices of 40 students enough for you to publish our views?"

LE MONDE was in a bind then. President Chadli Bendjedid was meeting at that moment with President Mitterand in Cancun, Mexico. The paper could not risk hurting Franco-Algerian relations.

But the Algerian Berber movement has found attentive ears in France...Most of the half million Algerians in France have great influence through the politicians and intellectuals who control the information and guidance machinery.

It was only a few months before, in February 1985 to be exact, that the first Berber encyclopedia was published in Paris. It was compiled at the research center (CNRS) in Aix-en-Provence which is concerned with the Arab Maghreb.

The encyclopedia outlined in detail the map of what could be a possible arena for future movements in search of the entity of "this race which is lost in antiquity, which is united by a common denominator, even though it is dispersed--the Berber language--and which is contained in a land which extends from the western Arab Maghreb to the boundaries of the Egyptian Nile and reaches southward towards the Sahara, Niger, and Mali."

That map, then, transcends Algerian borders and Tizi Ouzou is merely its pivot.

Let those who think, think...

Let those who remember, remember.

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EGYPT

IBRAHIM NAFI' COMMENTS ON EGYPTAIR DECISION

Cairo AL-AHRAM in Arabic 2 Dec 85 p 1

[Editorial by Ibrahim Nafi': "What Exactly Do They Want?"]

[Text] It is peculiar indeed to find ourselves as if we are vigorously justify a decision we took to deter evil terrorism, to protect our dignity, reputation, and existence, or to exercise our legitimate right to protect the lives of our citizens against the crimes of mercenaries and psychopaths.

It is peculiar to feel this way? It is peculiar that some would put us in a position of defending ourselves or our decision to protect ourselves against terrorism?

The decision was difficult. It was made after carefully taking into consideration the possible loss of innocent lives of children, women, youths, and men. The decision was also taken in the context of the terrifying, bloody atmosphere imposed by the terrorists inside the hijacked plane, and in light of the crimes of murder and torture perpetrated by the killers every minute and every hour, which threatened to annihilate all the passengers. The United States ambassador in Malta was right when he stated 2 days ago that the Egyptian plane witnessed the worst kind of terrorist. Responsibility for the victims falls solely on the terrorists and on their barbarism and unusual thirst for blood and for the merciless murder of the innocent.

Although most countreis of the world have asserted that fact and supported our decision, we are not asking for anybody's testimonial or justification for our sovereign decisions, especially as the decision was clear in its intent, decisive in its objective, and assertive in its meaning.

Yet, despite all of this, one is perplexed as to what is truly wanted of Egypt.

When Egypt saves more than 550 passengers on the Italian ship in return for handing the hijackers over to the PLO for trial, America becomes angry and considers it permissiveness towards the terrorists to negotiate with them in order to save the lives of the passengers. It then hijacks the Egyptian plane causing us to feel great legitimate anger.

When we make a decision to storm the hijacked Egyptian plane to save whatever innocent lives we can from the hands of heartless murderers without a conscience, some get angry and demand that passengers be left to the vagaries of fate.

What, then, do they want of Egypt? They want to denigrate and always undermine Egyptian decisions to make it look incapable of the right decision, even if that decision touches the inner core of its dignity or protects its citizens from the stupidity and terrorism of those who abuse the patience of the courageous and the tolerance of the older brother.

It is time to bring the curtain down on the play of self-flagellation practiced by some whenever we make a great, decisive, and successful decision. It is time that we learn and teach others that we will be taking similar difficult decisions with great pride and will accept the inevitable loss of life if this would protect Egypt's people and land and deter the terrorism of saboteurs and the crimes of professional assassins.

With evil terrorism there can only be difficult decisions and nothing else.

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EGYPT

ARAB INVESTMENTS INCREASE

London AL-TADAMUN in Arabic 9 Nov 85 p 27

/Article: Rise in the Volume of Arab Investments in Egypt"/

/Text/ The Egyptian economy is passing through a period of radical transformation, from the standpoint that it has received a larger amount of Arab investment than last year, and also from the standpoint that it has embarked on reform efforts in which the Central Bank of Egypt has called for eliminating the several different exchange rates for the Egyptian pound and the pressure of hard currency on its value.

A report by the Egyptian Investments Commission said that Arab investments up to last June amounted to 1.057 billion pounds, or 16 percent of the total of all foreign investments and an increase of 1 percent over its share of these investments last year, which amounted to 998 million pounds. However, this investment expansion is not persuading the Central Bank of Egypt to permit the establishment of new banks. That is in order to limit credit activity, which increases pressures on the rate of inflation. The Central Bank has demanded a unification of the rates of exchange on the Egyptian pound vis-a-vis the free currencies and in all foreign transactions, in order to ameliorate the weakness in the balance of payments.

Among the other demands of the Central Bank in the context of its directives for economic reform are expanding direct loans from the government for housing and land improvement and food security projects; developing the tax system in order to simplify transactions and put limits on the wealthy; and raising customs duties on luxuries and acquiring them with the Egyptian pound. Among other directives were limiting the consumption of electricity by narrowing the gap between local and world prices, guiding government spending, especially in the realm of wages, redistributing non-productive monies, and limiting assistance only to those who deserve it among the poor classes and only within the scope of necessary commodities.

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EGYPT

BACKGROUND DETAILS ON NEW AUSTERITY BUDGET

London AL-SHARQ AL-AWSAT in Arabic 18 Nov 85 p 5

[Article: "Exclusive Report on New Standards for Egyptian Budget for Next Year; Spending Freeze and Reduced Reliance on Foreign Aid and Loans"]

[Text] Responsible Egyptian official sources told AL-SHARQ AL-AWSAT that the Egyptian government is in the process of preparing a new austerity budget stemming from the principle of self-reliance. In preparing this budget, the Egyptian government is relying on specific standards, including a squeeze on spending, salaries, awards, and foreign representation offices, in order to bring inflation under control. It considered the 1985 budget figures as the allowable ceiling for the new budget, which means lower subsidies, assistance, bonuses, and monetary and in-kind benefits and the cancellation of personal fiscal grades.

The new state budget in Egypt is aimed at putting a squeeze on expenditures, disallowing any increase over the current year while seeking ways to increase revenues.

AL-SHARQ AL-AWSAT has learned that the Egyptian minister of finance, Dr Salah Hamid, asked the various ministries and government agencies to comply with the priorities and requirements of the plan's objectives in their projects for the new 1986-87 budget, asking that they reconcile actual Egyptian needs, estimates, and revenues.

The minister of finance stressed the necessity of reducing the budget deficit in order to check inflation and put a stop to random price hikes through the adoption of firm policies aimed at rooting out appropriations which represent any kind of lavish or conspicuous spending.

Reduction of Stock Instead of Importation

Dr Salah Hamid spoke of the necessity of utilizing the unused stock to reduce public spending and achieve the maximum benefit from available capabilities, resources, and natural and human resources in a way that raises production levels, ensures the rationalization of expenditures, and leads to higher gross national product growth rates.

The finance minister also asked the various ministries to link actual costs and fees charged for services so as not to put additional burdens on the people and to link investments and returns. He also asked that standards be drawn up for going after the tax evaders to enable the state to reap the fruits of its investments in economic and social projects, public-sector ones particularly.

Dr Salah Salim supplied all parties with the new standards for preparing the new 1986-87 state budget for the last year of the 5-year plan, asking them to focus on vital projects and abide by the appropriation ceilings prescribed in the general budget so as not to add new burdens to the state treasury.

The minister of finance asked the various technocrats to be realistic in preparing budget estimates for expenditures and revenues and to avoid waste and make the best use of set appropriations in order to realize the specific objectives for which budgets are set.

The minister warned all parties of his ministry's inability to meet any additional demands during the next fiscal year due to its commitment to maintain a general balance and avoid a higher budget deficit.

The minister added that toward the end of the fiscal year, agencies make a point of spending their leftover funds without aim or purpose. He asked them to stop this practice and save unused appropriations for the current year instead of spending them unnecessarily.

He set the end of November as the deadline for the various parties to submit to the Finance Ministry their budget plans, asking that such plans be consistent with the general plan and budget standards and with the best utilization of production and operational requirements and the setting of appropriate rates for tying salaries to production, fixing the cost of each commodity or service, and tying it to profits on the basis of economic research and studies and to the actual results of the previous budget.

The finance minister decided to adhere to a previous decision of the prime minister not to use messengers and office boys in government offices and the public-sector organizations and not to earmark any funds for increases in this regard and to allow higher appropriations for their salaries only if they are transferred to technical or vocational positions for which they are trained. Agencies are in the process of preparing budgets for those employees who wish to return to their governorates from Cairo and Alexandria and of cancelling personal fiscal grades.

Reexamination of Awards and Salaries

The minister of finance decided to limit salary increases to periodic and incentive raises and mandatory grades and to use excess labor on new projects. As for comprehensive awards, there is no room for an increase in this field and, indeed, they must be reduced. The minister decided to consider the 1985 appropriations for salaries and awards as the ceiling for the 1986-87 budget.

The award system must be changed to apply to producers only and not to all employees. The finance minister also decided to turn down all requests for

higher appropriations earmarked for in-kind benefits for some employees, asking the various ministries to reduce gradually such benefits.

The minister of finance instructed the various ministries to cut and rationalize current spending and avoid conspicuous consumption and luxuries while studying alternate ways to do the work and choosing the best cost-effective methods without sacrificing standards. He also directed that expenditures earmarked for things that are no longer valid or feasible be rooted out.

Lower Electric Power Consumption

The minister of finance instructed various government agencies to cut down on their electric power consumption by 25 percent in government offices and administrative units as well as on promotional and representational expenditures and funds for motor vehicle fuel. He also directed that the government will not bear conference expenses, save for those of basic benefit to the state, and that such expenses be covered by returns from such conferences. He also ordered a squeeze on cultural, labor, and tourist office expenditures and trade representation costs to alleviate some of the pressures such spending puts on our foreign currency resources.

24-Year Loans

The finance minister set down the terms of payment of foreign loans the government re-loans to various parties whereby the said parties must start payment within 3 years in 24 yearly installments for the agricultural and housing sectors and 12 yearly installments for the other sectors. Payments are to be calculated on the basis of foreign currency exchange rates.

Furthermore, the minister decided not to submit to the ministry higher appropriations save for those related to increased activity or operational projects and instructed the public sector to view cost rationalization as a basic and necessary goal, particularly those elements which are not directly tied to production. He directed that efforts be made to reduce waste, raise employee efficiency, enforce the policy of tying salaries to production, eliminate excessive waste, improve products, make use of unused stock, and maintain minimum strategic stocks.

He said that public-sector units must work to increase the government's rate of return from its investments in the public sector and to improve foreign transactions by increasing exports, rationalizing imports of production requirements, expanding the use of local resources and local products, opening new local and foreign markets, and developing products in keeping with international developments and Egyptian consumer tastes.

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EGYPT

OFFICIALS DISCUSS NEW 'GREAT AWAKENING' PROGRAM

London AL-SHARQ AL-AWSAT in Arabic 25 Nov 85 p 8

[Article: "Working Paper To Realize 'Great Awakening' Motto in Egypt; Universities and Governorates Invade Deserts and Banks Upgrade Business Practices"]

[Text] The "great awakening," the motto coined by President Husni Mubarak, is the talk of the town in Egypt. The awakening includes the political, economic, and social levels. All ministries and agencies are trying to answer several questions about how to invade the desert, upgrade banking and financial procedures, and reduce subsidies and control prices. Universities and governorates have a significant role to play in invading the desert to set up projects there. Over 5 billion Egyptian pounds have been spent in Egypt on narcotics paraphernalia, an amount three times greater than the funds directed for goods and service subsidies.

The ruling National Party in Egypt has prepared a working paper for realizing the "great awakening." What do officials have to say, and what are its main features?

Dr Yusuf Wali, secretary general of the ruling National Party and minister of agriculture and food security, said: "The party program includes the utilization of youth capabilities in agricultural and industrial projects to reinforce productive family projects and the national campaign to pay Egypt's debts, to reduce the burden of subsidies, and to promote self-reliance in consumption and exports."

He added: "The paper I am preparing includes a suggestion to adopt a work program to be carried out by the party's youth in all the various governorates through higher production, which in turn curbs higher prices.

"The paper provides for the prompt transfer of agricultural land ownership to young people in their governorates and for the establishment of mobile agricultural-product sales outlets to eliminate the middleman as well as other projects in cooperation with agricultural cooperatives and development banks in the governorates."

Engr William Nijib Sifin, minister of state for emigration and the affairs of Egyptians abroad, said that the ministry has prepared a program calling for the recruitment of all Egyptians inside and outside the country for implementing development projects, be it through personal effort or money. The program gives Egyptians complete freedom to invest their money in economically feasible projects away from currency brokers and fictitious investments and the right to retransfer their money abroad in foreign currency.

He added that a project has been drawn up calling for the use of Egyptian expatriate advisors in conjunction with the Scientific Research Academy on projects which require foreign scientific expertise, instead of seeking the help of foreign advisors so long as experienced Egyptians can be found for such projects. This principle will be universally applied in all ministries, agencies, and organizations so that Egyptians abroad may contribute to Egypt's development through their expertise, for they are more aware of the special circumstances of Egyptian society.

Prime Minister Dr 'Ali Lutfi confirmed the existence of a plan to setup a packaging project with a 30-ton-per-day capacity to help eliminate waste at an annual rate of 15 to 20 percent. in addition to using fava beans, lentils, and vegetable and fruit wastes in fodder production with a 30-ton-per-day-capacity and making use of legume-packaging scraps in producing garbage bags.

He added that neutral working committees to be formed in companies and organizations will conduct a comprehensive reexamination of existing conditions through firsthand field experience in order to draw up a list of problems, to recommend ways for dealing with losing enterprises which have not achieved their objectives, and to outline proposals that will guarantee success for other businesses. Economic advisors say that the Egyptian people can rally around the Egyptian president's proposed program if they are made aware that all government agencies are taking tangible measures to achieve the main guidelines contained in this program. Hence, Mubarak's call for positive mass and party participation in self-development based on intensified mass efforts will gain maximum importance if its conditions are fulfilled.

He added that lifting restrictions on people's movements can help the masses to embark on economic development.

Residential Area in Gizah

'Abd-al-Ra'uf Abu Humaylah, chairman of the local council for Gizah Governorate, said that a self-contained residential area will be constructed along the Cairo-Alexandria Desert Road between Km 28.5 and Km 32.5 with a width of 4 Km as an extension of the city of Gizah until the year 2000.

The governorate's plan, within the framework of the "great awakening," includes as well the allocation of the Imbabah Airport site for food security projects, parks, and recreation areas. Some of the housing funds will be used to purchase land for constructing low-rent housing.

The council chairman added that the ministerial decree pertaining to housing costs will be amended to conform to actual costs in view of the higher costs of construction materials and higher land values.

Furthermore, 10 million pounds will be appropriated to allow the governorate to complete the construction of 6,765 housing units; to establish a special agency for the water, sewage and electric power utilities under the authority of Gizah Governorate; and to draw up a special budget to start work on the utilities, side by side with the construction of the housing project.

The General Architectural Planning Agency and the Ministry of Housing, in cooperation with the city, will undertake the planning of areas not included in Gizah City's plans and will reinforce engineering departments with enough engineers because the city of Gizah extends north to al-Warraq and south to Abu al-Nimr and has a population of 1.5 million and about 300,000 housing units, but the number of road construction engineers is no more than 20.

To make sure that illegal construction work is stopped, a special police force and a special court will be created to look into violations and disputes in order to expedite violation cases so as to put an end to the phenomena of violations and infractions.

One Ministry of Housing company will be designated to carry out demolition work in accordance with already enacted decrees.

Pushing the Egyptian Mind

Dr Muhammad Anwar al-Hawari, UN counselor, first undersecretary of planning, and president of the price, consumption, and income sector, said: "The term 'great awakening' carries a lot of political, economic, and social implications the Egyptian people are expected to uphold individually and collectively, as well as legislative, executive, and security powers, in each field and bailiwick."

He believes that the "great awakening" has begun pushing the Egyptian mind at all levels to search for a self-sufficiency policy. Groups have met and have held seminars and the mass media have published articles about self-sufficiency and the means to achieve it.

Dr al-Hawari emphasized that the Egyptian "great awakening" deals in form and substance with issues at the political, economic, and social levels, even though each of these levels does not operate in isolation from the others. For example, economic capabilities can take part in political decisions and vice versa, for political capabilities can draw on the economic capabilities to work diligently, and the same thing goes for social capabilities.

The first undersecretary for planning added that his program for realizing the Egyptian "great awakening" through the current 5-year plan includes the subsidies issue which has been the center of attention for many years.

Existing Subsidies

He believes that all are aware that subsidies are among the key issues which must be eliminated forever, but how? Some people advocate the end of subsidies while others call for maintaining some of them. We went to draw broad lines for this problem and its remedies, for subsidies are a temporary remedy until productive capabilities and productive efficiency reach a level of increased supply, thus invalidating the subsidy system. We cannot remove the effects of subsidies, however, unless we view it not as aid but as a temporary social prop because the Egyptian family has actually switched from dependence on one source of income to several sources, under one roof in many cases. It enjoys the benefits of relatively lower housing costs and a great reduction in educational, health, and transportation expenses. Indeed, the current 5-year plan has assumed heavy burdens to create a massive infrastructure without the participation of multiple-income families.

He added: "All this notwithstanding, the subsidy system is still in effect while the time has come for us to tie subsidies to income levels. The awakening calls for taking away subsidies from such families who live under one roof and have more than one source of income, especially if these sources were realized in the past open-door policy period.

Narcotics Triple the Subsidies

He pointed out that if subsidies are maintained at the present level, they will place a double burden on the financing of the next 5-year plan. "Suffice it that spending on narcotics, beginning with tobacco and cigarettes, tea, coffee, and alcoholic drinks all the way to the most dangerous types of drugs and narcotics, has jumped to between 5 and 7 billion pounds at all levels."

Dr Muhammad Anwar al-Hawari said that spending on narcotics is three times greater than the amounts spent on subsidies. Moreover, the number of private vehicles has grown to a point where some have begun thinking of dividing Cairo into more sections. This situation, undoubtedly, is brought on by exorbitant spending on private means of transportation which consumes one-third of the total amount of gasoline in Egypt. Add to that large spending increases for food and drink, nonessential increase of over 500 million pounds.

He added that split efforts in the realm of production and services have jacked up production costs to an uneconomical level, particularly in the public sector.

Dr al-Hawari attributed this state of affairs to administrative mistakes, beginning with preliminary project studies, improper investment presentations, the construction and production stages, and the final settlement and storage phase. All these steps are beset with administrative tremors which impede projects for a certain period because administrative ineptitude is reflected at the higher levels.

Three Principles

The working paper the Ministry of Planning drew up as the ideal remedy for such a situation and for the realization of the great Egyptian awakening calls for three fundamental principles, which include:

--Cooperation: Public- and private-sector projects involved in identical work will cooperate in a great cooperative awakening, beginning with the financing phase and ending with the marketing phase. This can only be achieved through joint efforts by public- and private-sector officials to solve problems around one table.

--Coordination: Includes the acquisition of raw materials, job training, and coordination of production levels and of marketing operations, particularly those related to export, and starts off with agricultural, industrial, trade, and transportation activities.

--Mergers: Whereby badly managed and badly financed identical production units will be merged with financially healthy sister units which allow a higher production level. This is a great awakening in the production field.

--Integration: This is the ideal method to push production toward integrated cycles whereby production unit expenses are brought down to minimum levels and quality is raised to international standards.

The first undersecretary for planning emphasized that a "great awakening" will occur in financing and banking procedures which support and protect cooperation, mergers, and integration.

He believes that banking community officials may be justified in questioning officials about the production process when drawing up suitable means of financing, in view of the interest rates offered to organizations that carry out those policies whereby interest rates for cooperative projects are reduced while mergers and integration projects, unlike cooperation, represent a point of strength.

Dr al-Hawari said that whereas the "great awakening" dealt with the idea of tying production policies to financing policies, it also deals with self-development represented in grassroots participation in project financing, planning, and implementation with a view to raising income. on the one hand, and achieving a better demographic distribution, on the other.

He added that as part of the process of realizing a "great awakening" in this area, benefits, facilities, and investment incentives must be made available so that savings will be directed to suitable fields chosen by the people.

Greater Role for Universities

He emphasized that the best way to offer such benefits will be at the educational-unit level, represented in universities and their colleges and institutes. Universities will dispatch their various colleges to desert areas slated for civic and economic development to set up an integrated machinery

for research and planning and for choosing methods they deem appropriate for attracting businessmen to carry out well-studied projects.

He believes that such a method is marked by a new social awakening at the grassroots level and is a guarantee for greater investment activity by the various groups, thus creating greater job opportunities.

He outlined the projects being undertaken by universities in the agricultural, tourist, and small-industry fields in Sinai, the Eastern Desert, and al-Wadi al-Jadid [New Valley Governorate].

He proposed that desert areas be named after governorates, which will be asked to offer their own personnel capabilities for projects their inhabitants can carry out in the desert.

He emphasized that this idea of urging the people to head for the desert is a new awakening which reflects a high degree of social, economic, and financial cooperation which will be applied in the Second 5-year Plan.

He said that the realization of the "great awakening" in the fields of subsidies and cooperation, mergers and integration projects, to be carried out when the Second 5-year Plan is implemented, will lead to a greater supply of goods and services, thus diminishing the effects of inflationary gaps, and to lower prices.

Egyptian opposition leader Mumtaz Nassar said the awakening could not be realized unless its ways and means were made available. Such means can be made available only if the government instituted true austerity and government units set an example by reducing government spending by 20 percent.

He added that these measures will result in greater production and greater revenues due to confidence in the economy which brings in more Arab and foreign capital and greater tourist revenues.

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EGYPT

OIL RESERVES, CONSUMPTION, RATIONALIZATION DISCUSSED

Cairo AL-AHRAM AL-IQTISADI in Arabic 21 Oct 85 pp 34-37

[Article by 'Adil Ibrahim: "Call for Correcting Faulty Concepts Concerning Egypt's Oil"]

[Text] At a time when our consumption of oil derivatives has grown by more than three times in the past 10 years, the announcement by the minister of oil and mineral resources that the Egyptian oil reserve will not last more than 10 years if our oil energy consumption continues to increase by the current rate of 13 percent a year--this announcement requires us to take speedy, positive steps and decisive measures to implement an efficient policy of electric and oil energy rationalization. It also requires us to take an objective pause to correct the faulty concepts concerning Egypt's oil now that oil has become the topic on every tongue and that some go to excess in using the right words in the wrong place. Since oil has become the source of numerous rumors and mistakes that need to be corrected and that require highlighting the facts, our responsibility in this critical phase that is being experienced by Egypt's economy requires correcting all the faulty concepts and rumors that are issued from time to time.

At the outset, Dr Muhammad Mahmud Shawkat, the oil economics expert at the Egyptian Public Petroleum Authority, said: The sudden warning voiced by chemist 'Abd-al-Hadi Qindil, the minister of oil and mineral wealth, that the current oil reserves of 4 billion barrels will last Egypt 10-11 years at the current consumption rates has evoked strong reactions at the official and popular levels because it throws specific obligations and duties on the shoulders of all the sectors that consumed energy and produce it. Chemist 'Abd-al-Hadi Qindil's warning has come at a time when all the previous official statements had been announcing numerous important oil and gas discoveries. Those statements asserted that the new discoveries in the current fields are enough to meet the local oil demand and to fulfill the export obligations for a period of no less than 50 years. Those statements made the ordinary citizen think, rather believe, that Egypt has become one of the major oil producers and exporters, like Saudi Arabia and the other oil-exporting countries. The announcements speaking of numerous important oil finds make the citizen think of the wealth around him while he is suffering from the high costs of living and the drop in his income. They make him feel angry because he has to exert efforts to get a cylinder of butane gas and make him feel angry whenever the government decides to increase the price

of benzine. These announcement have made the ordinary citizen and even some intellectuals and writers disbelieve the official statements dealing with the issue of the subsidy allocated by the government for oil derivatives. The statements have developed among the consumers of the various forms of energy, be they electricity or oil derivatives, poor consumption habits leading to unjustifiably extravagant consumption and to wasting our oil resources which people have thought are boundless, whereas they are in fact limited. He who thinks, even wrongly, that he possesses a lot will spend and consume a lot and will live beyond his real means. This is why chemist 'Abd-al-Hadi Qindil's warning has come to correct faulty concepts so that people may realize their responsibilities and duties toward their country and toward future generations in particular, so that the government will shoulder 4 billion pounds in energy subsidies, and so that if these subsidies are abolished it will be possible to utilize the money in other projects that serve the national economy. Qindil declared that consumption is rising rapidly and without any checks or controls. He had warned years ago that as long as energy is sold at such cheap prices, then its consumption will continue to grow. This is dangerous to Egypt's energy. Though the Egyptian oil sector spends a lot of investment money, effort, and time to intensify the oil-prospecting and exploration activities, these enormous investments and efforts are consumed by extravagant and wasteful consumption. Should the current conditions of the local Egyptian oil market persist, Egypt will end up a net importer of oil before the next 10 years and unless a fundamental change occurs on the supply side by making important oil discoveries that add considerably and tangibly to the proven oil reserve, unless, at the same time, a fundamental change is made in the local pattern and in the volume of oil and oil byproduct consumption, and unless major steps are made to turn toward lasting and ever-renewable alternative energy sources.

How can we increase our oil revenues? Dr Muhammad Shawkat suggested the need to study the possibility and means of increasing the revenues of our oil resources in ways other than increasing our crude oil production and exportation rates without increasing our proven reserves, taking into consideration the current conditions of the world oil market and the declining oil prices. These means include the increased processing of oil, especially in the petrochemicals industry, to increase the revenues, exerting efforts to enhance the importance of Egypt's role as a route for transporting oil from the production areas to the consumption areas, intensifying and increasing the training activities in the various fields of oil specialization so as to supply highly skilled and specialized labor in the oil sector in order to make it possible to increase the exportation of this labor and to increase the reliance on this labor as a source of foreign currency remittances, and rationalizing the spending of the foreign oil companies operating in Egypt, since these expenditures are deductible from the production revenues. The Egyptian oil sector has made successful strides in this regard by enhancing the national company's role in the production sphere by raising its capabilities and giving it the priority of prospecting in the areas with a high oil potential, by intensifying the oil and natural gas-prospecting and exploration activities, and by encouraging foreign firms by various means to turn their attention to certain areas, especially in the western desert and in the deeper territorial waters.

How Is Subsidy Rationalization Achieved?

At the same time, some people think that the call for rationalizing energy consumption is merely intended to raise energy prices or to abolish the subsidy shouldered by the state as a result of selling oil derivatives or electricity at the local price. But the issue of rationalizing the oil derivatives subsidy is not as these people imagine, according to Dr Muhammad Shawkat, who said: The subsidy is not a grant from the state to the citizen. Rather, it is a means employed by the state to achieve an economic and social balance by narrowing the differences between the people's classes so as to insure the cohesion necessary in society's structure. We in Egypt have three kinds of subsidies, namely the direct subsidy embodied in the sums allocated to provide the essential goods and services at prices below their importation or production cost, such as butane gas and kerosene; the indirect subsidy which is embodied in the differences between the actual sale price of some goods produced by the public sector and the economic cost of these goods plus a legitimate profit margin; and the concealed subsidy which is embodied in the difference between the international sale price of locally produced goods, such as oil derivatives, and their low local sale price--a difference that results in wiping out big revenues that are supposed to be going into the state treasury.

If the subsidy seeks to redistribute the income by influencing the relative prices of subsidized commodities, then this is an objective that has not been achieved so far because all, both rich people and people with limited income, benefit from the subsidy without any distinction. The subsidy also seeks to achieve stability in the prices of essential goods. This also is something that has not been fully achieved due to poor control and to the absence of discipline, with the oil derivative market perhaps being the sole exception. The subsidy is also intended to insure a minimum standard of living for the classes living on a limited income.

But the Egyptian subsidy system suffers from numerous drawbacks, including the increasing annual subsidy figures and, consequently, the increase in the volume of the public budget's deficit and the worsening gap in the balance of payments, because most of the subsidized goods are imported goods, because the people use the subsidized goods in an extremely wasteful manner, and because the value of these goods and the enormous burdens which the national economy shoulders to supply them are not clear to the people.

The concealed subsidy included in the Egyptian market's prices of the refined oil derivatives constitutes a heavy burden on the state revenues, especially since oil represents one of the most important sources of national income in the battle to confront and reform the economic course. Moreover, oil, which is Egypt's primary source of energy, is a depletable source and any rationalization in its consumption constitutes a desirable addition in the interest of our future generations. Oil is also an international commodity with an international price.

Oil Subsidy Is No Innovation

Dr Muhammad Mahmud Shawkat, the oil economics expert at the Egyptian Public Oil Authority, also said: The principle of subsidizing oil derivatives in the Egyptian market is not an innovation in the Egyptian oil industry's history. This principle was applied for the first time during World War II under circumstances and for reasons different from the circumstances we are experiencing at present. The volume of the local crude oil production was then nearly equal to the consumption volume. But the local crude oil produced then yielded larger quantities of heavy diesel fuel and smaller quantities of benzine. However, both varieties were enough to meet the local demand whereas our plants' production of derivatives, such as kerosene, was much too small to meet local consumption needs. Kerosene was then the mainstay of domestic life. Consequently, it was imported at exorbitant prices under war conditions. But the state could not permit selling it to the people at its real price and this is when the idea emerged to load the benzine price with the cost difference and to apply the ration card system to the distribution of kerosene so as to rationalize its consumption. Thus, the principle of subsidy was applied soundly without saddling the state revenues with a burden. This sound approach was due to several reasons, including the fact that the Egyptian oil industry was in the hands of foreign firms which managed all phases of the industry from the well to the consumer. Despite this, the government intervened and imposed an organization compatible with society's conditions. Moreover, the state was able to impose a fair distribution of the financial burdens. The capable class shouldered the burden of the price difference in the interest of the poorer classes. However, the capable class was not denied the acquisition of kerosene (the main fuel for cooking) at the reduced price and the oil companies did not shoulder any burden on their revenues. Finally, the state imposed the principle of rationalization on all by applying a strict system of ration coupons in the distribution of kerosens.

All Oil Derivatives Are Subsidized

Dr Muhammad Mahmud Shawkat added: The annual reports of the Egyptian Public Oil Authority show us that all the main oil derivatives are subsidized in a manner unprecedented in the oil industry's history, whether in terms of the fuel used by the capable, by the incapable, by both the public and private sectors' industry and agriculture, or by the public utilities and services. At the same time, the leap in international prices has had almost no effect on the derivatives' prices paid by the Egyptian citizen, not even the prices of the derivatives we are compelled to import to meet consumption needs, such as butane gas and some special oil derivatives whose import costs constitute a heavy burden on our foreign currency revenues.

If the prices of some oil derivatives have moved up a little, then the difference between these prices and the corresponding international prices is still very big. Benzine is sold at 28 percent its international price, considering that it is sold at the actual cost price plus the taxes levied on road users, such as the traffic, asphaltting, aid and rescue, repair and maintenance, and bridge and road fees. These fees range from 100-200 percent

of the cost price, estimated at 33 piasters per liter. It is well known that the taxes levied on benzine consumption in Britain amount to 120 percent, in Sweden to 102 percent, in West Germany to 60 percent, in Switzerland to 100 percent, and in France to 144 percent. Thus, the average price at which the liter is sold to the consumer in Britain amounts to 90 piasters in Italy, 80 piasters in France, 80 piasters in Britain, 60 piasters in West Germany, 67 piasters in Sweden, and 95 piasters in India. Butane gas is sold to the consumer at a price of 52 pounds per ton whereas the international price is 267 pounds per ton. Consequently, the state shoulders nearly 215 pounds of the price. Thus, the state advances 111 million pounds in butane gas subsidies. Naphtha is sold at 9 pounds per ton whereas the international price is 190 pounds, with the state thus advancing 181 pounds in subsidies per ton of naphtha and with the total subsidy amounting to nearly 12 million pounds. Kerosene is sold at 37.8 pounds per ton whereas the international price is 176 pounds per ton. The state consequently shoulders a subsidy of 138.2 pounds per ton of kerosene, with a total annual subsidy estimated at 275 million pounds.

The state offers this subsidy to both the capable and the incapable without any distinction. It is also well known that the international prices do not include any state taxes imposed on the consumer, which are usually very exorbitant taxes.

Subsidizing Oil for Deserving

If our fundamental duty is not confined to discovering and producing oil and if it requires us to be careful and wise in consuming it and requires us not to squander this scarce resource in a few years and then turn into importing energy from abroad at exorbitant prices and with financial burdens which we cannot withstand, then Dr Husayn 'Abdallah, chairman of the Energy Planning Agency, said: The pricing policy plays the main role in the rationalization programs and measures because all states agree on the need to price energy sources at the levels prevalent in the international markets. Pricing them at lower levels encourages excessive consumption incompatible with the objectives of the desired rationalization. But moving the prices within the framework of the economic and social policy embraced by Egypt cannot be tackled partially. Raising the prices of a commodity or of a certain group of commodities without allowing the adjustment to extend to the other changing elements that govern incomes and prices, including the element of taxes, can disturb the balance between the classes and may saddle the incapable classes with more difficulties and hardship. Therefore, moving the prices, even in cases where the results seem to be guaranteed insofar as the rationalization impact is concerned, must be accompanied with guarantees so as to insure that the subsidy's benefit is confined to those who merit it and so that the use of the subsidy will lead to greater fairness in the distribution of real income.

Dr Husayn 'Abdallah also said that the oil sector has not taken the stance of a spectator insofar as using the prices as a means of rationalization is concerned. The sector, which supplies 85 percent of the energy consumed in Egypt, has begun, in cooperation with the financial and economic sector, to

prepare the investment climate to use the economic energy prices, namely the export and import prices, as a basis of the economic feasibility studies and in pricing the products of the new projects. This requires that the real cost of the products be determined and requires that the subsidy be moved from the production phase to the distribution phase so as to make it possible to distinguish between those who merit the subsidy and those who don't.

Dr 'Abdallah asserted that the purpose of consumption rationalization is not to reduce the consumption volume in a haphazard manner and not to affect the popular products consumed by the classes with a limited income in an unplanned manner. Rather, the purpose of rationalization is the more efficient use of energy and the channeling of the derivatives toward the uses with a higher value and of reducing them for other uses.

Dr Husayn 'Abdallah added: We give importance to rationalizing energy by raising technological efficiency. This does not have to wait for the issuance of decisions raising the prices--decisions that may be impeded by various political, economic, and social considerations. It is well known that the public sector, which is subject to a rigid price policy that is not easy to change in the near future, is the main consumer of energy in Egypt. Therefore, improving the efficiency of energy use in the public sector which consumes nearly half the energy used in Egypt may not depend so much on raising the prices as it depends on direct intervention to improve the efficiency of the technology and of the production methods employed by this sector. It is no secret that such direct intervention is not confined to inexpensive means but requires the allocation of large investments. However, they are investments justified by the economic returns embodied in the availability of quantities that can be channeled toward the export markets and whose revenues can be used to repay the installments on these investments.

Dr Husayn 'Abdallah further asserted that the Energy Planning Agency realizes the importance of this difference between economic circumstance and the circumstances prevalent in other countries whose economy depends on the forces of the open free market. This is why the agency did not stand idle while waiting for the energy prices to be raised in order to enhance the efficiency of energy consumption but proceeded to take successful steps on the path of direct intervention. These steps include the agency's organization of several seminars to rationalize energy use in industry, transportation, and electricity, establishing the position of energy director in every public-sector industrial firm and in preparing various training programs to train these directors within the framework of the tasks defined by presidential decree No 112 of 1983 concerning the creation of the Energy Planning Agency. Most of these tasks center on the objective of rationalizing energy consumption and of enhancing the efficiency of energy use in production and consumption.

Priority of Rationalization Goes to Public Sector

If the public sector controls to a large degree the five main industries consuming energy, namely the fertilizer, cement, aluminum, textile, and iron and steel industries, then the prices of these industries' products in the local market are subject to compulsory restrictions or to government control.

If some of the textile and cement industries' products are sold at free prices, and while the price of local iron and steel is moving closer to the price of similar imported goods, the price of fertilizers, aluminum, textiles, and cement is set at a level much below the price of similar imported commodities. Confining ourselves to increasing the price of the energy consumed by these industries cannot achieve the desired objective, namely to enhance the efficiency level generally. On the contrary, such a limitation may lead to creating more complex problems. Consequently, the sound solution lies in a comprehensive assessment of the need of some industries to restructure themselves, to introduce modern technologies, and to move the price of their final products. This is in addition to developing some of the old plants to enhance their efficiency, especially in connection with the use of energy.

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EGYPT

PROPOSALS TO REDUCE PRESSURE ON FOREIGN CURRENCY REVENUES

Cairo AL-AHRAM AL-IQTISADI in Arabic 21 Oct 85 pp 70-72

[Article by Nabil Sabbagh: "Money Market: Contradictions Requiring Pause; Imports, Local Production and Consumption Patterns; Foreign Currency Is Not Alternative to Egyptian Pound; Between Encouraging Exports and Opening Door of Imports"]

[Text] We have been living recently with contradictions that make us wonder about the conduct of some officials in light of the decisions that destroy each other or in which one wipes out the gains and positive features of the others.

Encouraging Exports

It is well known that the state with all its agencies tries to encourage agricultural, mineral, and manufactured exports on the basis that exportation is the cure which can repair our trade balance and, consequently, our balance of payments, especially since there is a fixed percentage of strategic and essential imports, including foodstuffs and indispensable production requirements representing 60-70 percent of the volume of our imports, and since the volume of the oil and services we export has also become fixed and tied to external factors beyond our control.

What we can control and can try to increase are our manufactured exports, in addition to the conventional exports, including cotton, rice, and other crops, and our unconventional exports. Such an increase in exports is also tied to the extent of Egypt's ability to produce in the face of foreign competition in the various markets.

There remains before us the door of exports which we must rationalize in order to reduce the trade deficit. But let it be clear that we are not advocating a policy of isolationism or of closing the door of exports. Rather, we are advocating the adoption of objective measures that help the state improve the trade balance because it is unreasonable for us to continue to import twice the value of our exports.

Here emerges the contradiction between the policy needed to be agreed on in order to study the type of imports we require and the volume by which we need

to import them so that their rationalization may not lead to a shortage of some commodities, especially commodities needed by other activities in the country--here emerges the contradiction between this policy and the requirement that such imports not be brought in at the expense of local production.

The simplest of these contradictions is reflected in the hardship that the porcelain-producing companies, which produce sanitary fixtures and ceramic and porcelain tiles, have suffered. The state has encouraged the creation of numerous ceramics and porcelain companies to the extent that the number of such companies came to nine investment firms and two public-sector firms.

These companies expanded and diversified their production to the point where it now compares with the best imported varieties. Despite this, these companies faced unequal competition from similar goods imported from abroad --goods with which the importers inundated the markets. This situation continued to exist and the producing companies suffered from it until the beginning of this year when it was decided to confine the imports to whatever is required to meet the local market's remaining needs.

Our local companies have been able to meet all the local market's requirements of sanitary fixtures, including sinks, toilet bowls, combinations, and so forth, but excluding bathtubs which our plants have not yet produced. However, some of the plants are making preparations for such production. The companies produce white and colored porcelain tiles and all kinds of ceramic tiles. Insofar as the importation of this kind of production is concerned, we were supposed to take into consideration the fact that these companies meet the local market needs and that there have been no bottlenecks connected with this production, except for bathtubs which are used in luxury housing and above medium-price housing. Consequently, the demand for bathtubs is limited.

As for porcelain tiles in particular, the quantity produced by the porcelain plants is enough to cover the local demand. The same applies to sanitary fixtures. Under our present circumstances, there is no call to import any similar products, be they porcelain tiles or sanitary fixtures.

The contradiction we want to draw attention to emerges here. The housing sector has found that the specifications required in the bathrooms of medium-price housing demand that walls be covered to the halfway level by white tiles compatible with the white color of the sanitation fixtures. When I asked the porcelain companies about the needed quantity of white porcelain tiles, it became evident that the plants' production of this color of tiles does not fully meet the needs. However, the companies have a large surplus of the same type of tiles, but it is colored. The companies offered to meet the remaining required needs with colored porcelain, saying that the price difference does not exceed 30-40 piasters per meter and that this difference represents the difference in the cost of producing the colored tiles in use. Some plants have requested that they be given some time to convert some colored production lines to the production of white porcelain tiles.

But the officials in charge of the housing sectors do not wish to wait and this is why they have turned their thoughts to opening the door of importation anew

and to concluding contracts with the importers directly to meet the needs of medium-price housing, regardless of the availability of white and colored porcelain tiles produced by the local plants.

The importers have not been quiet and have offered prices competitive with the local producers' prices. These offers tempt the officials of the housing sector.

But a pause is needed here. Importing fully processed tiles will cost us foreign currency which the importers will purchase from the free market acquiring currency on their own at the fluctuating and high price which has now reached 172 piasters and which is likely to increase with the increase in the size of the demand in the currency market. Meanwhile, if the housing sector concludes contracts with the local companies, the latter meet all the requirements, even if the situation may require using colored tiles at the outset because the additional cost representing the difference between the cost of white tiles and the cost of colored tiles will be paid in Egyptian currency. Marketing the entire production of the local plants will help these plants cut down their production costs. Instead of importing ready-made porcelain tiles from abroad with free currency, the plants, using less foreign currency, can import the production requirements and operate at their ideal capacity.

In this respect, we also wish to draw attention to the following:

1. The porcelain tiles imported from abroad do not represent the top-of-the-line production of the plants, but rather the second-grade production, and perhaps even the third-grade production of these plants. This production is rejected by the foreign markets and our importers exploit the opportunity to purchase it at low prices and to inundate with it the local markets at high prices, but prices are still competitive with the prices of the local producers.
2. In addition to its being brought into the country at the expense of the local product, the price of such importation will be fully paid in foreign currency whereas it is more behooving to utilize this currency to import the tile production requirements and to demand that the local plants produce the varieties needed by the market.
3. The difference in the price of white tiles and of colored tiles can be compensated by limiting the height of wall tiles to 140 cm instead of 150 or 160 cm.
4. If the housing sector wants truly to reduce the medium-price housing production costs, then it is more appropriate in such cases to eliminate the bidet from bathrooms because it is unhealthy and transmits parasites and microbes.

This problem is not confined to the porcelain and tile industry. Rather, the tragedy extends to the cement industry whose production some people are trying to paralyze in order to create a fabricated crisis in the markets so that imports of cement from abroad may be permitted.

The examples in this respect are numerous and varied. In the furniture sector, we still permit, despite the trade balance deficit, the importation of luxurious furniture from abroad when we have furniture-production plants and workshops equipped with the latest equipment and machinery and producing the most tasteful and high-quality furniture. These plants and workshops find it difficult to import the production requirements, including handles, locks, and some decor requirements for high-quality production, whereas we permit the importation of complete room furniture sets, spending many times the allocations needed for importing the production requirements.

So, isn't there a contradiction between the importation policy and the import rationalization policy?

Dealing in Foreign Currency in Local Markets

One of the surprising contradictions under which we live within the framework of correcting the economic course is the issue of dealing in foreign currency. We are all aware of the degree of vacillation in the Egyptian pound's exchange rate versus the convertible currencies. We are all aware of the extent of the chronic deficit in the trade balance.

We thank God that our industry's production has been diversified and that its quality has been improved. It is axiomatic that the situation requires that these industries have priority in opening credit accounts to import their production requirements. In this respect, these plants have to secure the currency they need from the market or from the banks. Such demand creates an inevitable pressure on the currency market. The state tries as hard as it can to make it easier for the production sector to secure the currency requirements it needs to maintain the production level so that it may be an alternative to imports.

Reserving Goods by Dollar

Such a demand for foreign currency to meet the needed credits in foreign currency is enough in itself to constitute a pressuring factor on the local currency market--a factor leading to raising the foreign currencies' exchange rate. Every increase in the foreign currencies' exchange rate is a burden on the production cost and on the companies' and plants' obligations. After all these pressures, is it reasonable that some officials of the public-sector companies owned by the Ministry of Industry should increase the pressure on the currency market by stating that because the policy of waiting lists for refrigerators, washing machines, and cars produced has been received well by the public, an expansion of the base of reservations with foreign currency instead of the Egyptian pound is planned so that priority may go to those who make reservations with foreign currency. Even a reservation with the Egyptian pound is excluded for such goods!

Gentlemen, these statements are surprising. Have these gentlemen forgotten that our Egyptian pound is the father of civilization and that it does not carry George Washington's image on one of its sides! Don't these gentlemen

with the bright ideas know that the resident Egyptian citizen who reserves [puts down his name on a waiting list for] a car, a refrigerator, a washing machine, an air conditioner, or any other commodity in foreign currency will go to the nearest tobacco booth that deals in foreign currency or to any bazaar in Khan al-Khalili to purchase whatever foreign currency he needs and without being concerned with paying 10 or 20 piasters extra per dollar because all he wants is just to reserve the commodity? Don't they know that such a demand for foreign currency, even though the individual demand may be small and may not exceed several hundred or several thousand dollars, is one of the main factors in pushing the price of foreign currency upward? Gentlemen, isn't the pressure exerted by the heroin, cocaine, and hashish traffickers enough in order that we may increase the demand put on the market by citizens wishing to reserve a car, a refrigerator, or a washing machine?

Free Markets and Free Zones

These upturned conditions urge us to raise again the issue of the free markets and free zones.

While raising this issue, let the people with individual interests know that the country's supreme interest is above all considerations and that when we raise the issue of this supreme interest, we raise it free of all personal or subsidiary considerations.

All are aware that the free Port Said City is one of the elements of pressure on the currency market.

The activity of this city could have constituted a good source of foreign currency for the country and not a channel for draining this foreign currency.

Are those defending the preservation of the "farce of the free city" aware that when the dollar rose in September to more than 180 piasters, the reason behind this was the intensive demand by Port Said importers and that the price of a dollar in that city's market reached 190 piasters? All this is not surprising when we learn that there is a waiting list comprising a strange mixture of this city's inhabitants, including professionals, craftsmen, fishermen, employees, and everybody and his brother, waiting to get import permits! These words, gentlemen, are not mine but words coming from the dossier of applications submitted to the Port Said Chamber of Commerce. These people are waiting for their turn to get permits to import luxury goods from the four corners of the world, to sell them, to make a profit, and to become "the rabbits" and (as they say in Port Said), "nobody is better than anybody else and why should so and so get shares and the others not?"

This, gentlemen, is the concept of the free zone in Port Said. Is this what is intended by a free zone and is this the concept of free zone?

We do not wish to victimize anybody. But when the country's interests are exploited to serve the interests of some groups so that they may profit from the people's hardship, then the trust requires us to take a stand and to observe the honesty of the message.

Our concept of a free zone is:

1. That it should aid the local market and not constitute a burden on it, and that it should be a big store for whatever industry, agriculture, and the crafts need, including production requirements, spare parts, machinery, and equipment, so that those operating in the production sectors may resort to it to meet their needs and may pay for what they need in Egyptian pounds if they cannot get what they need from the local market.
2. That it should be a permanent fair for what the various countries produce so that Egyptian producers and importers may resort to it to familiarize themselves with the best goods displayed instead of having to travel abroad, so that they may reduce the travel and stay costs and so that the zone may create competition between the producers and exporters of foreign countries to serve the interest of the Egyptian importer and producer and enable him to get the best goods at the best prices.
3. That it should be a center for packaging and assembling industries geared toward exporting to the area's countries. There is no objection to marketing a part of the production in the local market in return for payment of the established fees, taxes, and customs fees.
4. That it should be a big warehouse for various commodities and used by international firms to store their production and market it in the Middle East area.

This is our concept of a free city or zone. It is not a consumer market for provocative commodities where the city's genuine merchants compete with parasitic inhabitants of the city who have never engaged in commerce in their lives to get import permits and shares so that they may import textiles, curtains, ready-made clothing, electrical appliances, high-class foodstuffs, curios, vases, crystal, and God knows what else, with all this importing taking place at the expense of local production, and not a place where smuggling operations are active and where heart and conscience are bought in order to escape the customs areas.

So that some of Port Said's inhabitants may become rich, we must not encourage them to leave their jobs, professions, and crafts to trade in import shares and permits and we must not allow this area ultimately to drain \$300-400 million a year for which we are in the direst need to purchase (al-khamala) goods from Korea and Taiwan and even from the European countries and the United States.

A final word concerning the free zone: Is it reasonable that this city's inhabitants should enjoy customs exemptions for all they consume whereas Egypt's other inhabitants pay full taxes and customs fees? Where is the justice in this? Port Said's population sacrificed during the wars. But all of the Suez Canal area inhabitants also sacrificed. So why this discrimination in treatment? Isn't there justice in equality?

Free Markets Also

The free zones are not just a unique problem constituting one of the elements of pressure on the Egyptian currency market. They have, moreover, been turned into another outlet for the pressure on the currency market.

The idea behind these markets is that instead of having a person returning from abroad carry with him whatever modern foreign goods he needs, he can take advantage of these markets and of the limited customs exemptions on some goods, provided that he pay the price in the foreign currency he has brought with him or he has already remitted to the country. These markets should thus help him get what he needs and, at the same time, should yield profit revenues in foreign currency to the state. Moreover, the purchase of the goods needed for the market should constitute no burden because their cost is paid in the foreign currency which these markets get on their own. Consequently, they should constitute no burden on the local currency market.

But the process actually turns into a burden and into another factor draining our foreign currency revenues when these markets permit both Egyptians and residents in the country to use their right to purchase from these markets and to pay the price in foreign currency while paying the taxes in Egyptian pounds!

The question we ask is: Where do the citizens living inside the country get foreign currency as long as their incomes, wages, and salaries are all supposed to be paid in Egyptian pounds? If a few get their wages in foreign currency, and this is something we oppose, or if some get such currency in remittances from relatives working abroad, then such people constitute a minority. The majority of those frequenting the free markets resort to the local market to purchase foreign currency in order to pay for what they wish to buy from these markets.

In this regard, these markets constitute another channel draining the foreign currency revenues and one of the factors that help raise the foreign currencies' exchange rate. We discussed this issue previously and we are raising it anew now because leaving the situation untackled will intensify the foreign currency crisis and will turn it into an additional burden on the cost of the products of our industries and crafts.

The situation requires that issues be tackled frankly and objectively. We do not wish to harm anybody. But we also do not wish to see the interest of a limited group of citizens achieved at the expense of the people's and country's higher interest.

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EGYPT

EXPATRIATES TO HELP PAY NATIONAL DEBTS

Cairo AL-AHRAM in Arabic 2 Dec 85 p 8

[Article: "Statement by the Association of Expatriate Egyptians: Four Accounts at the National Bank for Expatriate Contributions to Help Pay Country's debts"]

[Text] At its meeting chaired by Mr William Najib, Minister of State for Expatriate Affairs, the provisional council for the Association of Egyptian Expatriates called on all Egyptians overseas to help in the fulfillment of Egypt's debts, each according to his means, not as a contribution but as a patriotic duty. It also announced that four accounts have been opened for that purpose at the main branch of the National Bank. These accounts are Nos 41-87-008 in dollars, 14-90-807 in Egyptian pounds, 41-87-006 for citizens' dollar contributions to alleviate the burden of subsidies and 14-90-806 for contributions in Egyptian pounds.

Egyptian pharmacists working in Kuwait, at a meeting chaired by Mr Muhammad al-Zayyat, counsellor with the Egyptian mission in Kuwait, resolved to contribute a yet-undetermined fixed percentage of their salaries. They also resolved to pay their professional association dues in hard currency as of 1986 and for as long as their contracts run.

After the meeting, the pharmacists also issued a statement in which they called upon authorities in Cairo to deduct, periodically and for a limited period, a fixed amount from all Egyptian expatriates in accordance with their incomes.

The statement also called for issuing voluntary honorary development bonds valued at \$150.00, in the form of unredeemable certificates, as a gift from the generation of fathers to the generation of sons and grandsons.

The Engineers Society contributed half a million pounds in addition to 1,245 pounds from the workers of the Engineering Group for Contracting "Grufad", 1,130 pounds from workers of the (Humini) bureau for vegetable and fruit export, 2,000 pounds from Dr Mahmud Samir Tubar and 250 pounds from Muhammad Ahmad 'Abdu.

The Tanta University Council, chaired by university president Dr Ra'fat 'Isa, resolved to contribute a day's salary for each of the three months starting this December. The faculty and employees of al-Minya University also resolved to contribute ten days' pay to be deducted from their salaries this December.

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EGYPT

CUSTOMERS, EMPLOYEES DISCUSS ISLAMIC BANKING

East Burnham ARABIA: THE ISLAMIC WORLD REVIEW in English Dec 85 pp 54-55

[Text] It is five years since Egyptians first rushed to put their money in Islamic banks. Today with "Islamic branches" opened by the conventional banks and accusations of sharp practice against the Islamic ones, do people find it difficult to tell them apart?

 In Egypt, as in other states, the Islamic banking experiment has encountered opponents who accuse it of practising the same acts of usury as conventional banks, but under an Islamic cover. Many Muslims, however, have been pleased to view the experiment as a practical embodiment of Islamic economic principles and ideals—so much so that Egyptians flocked to enlist as clients, a matter which worried the conventional banks. The most significant manifestation of this concern was the action taken by a number of Egyptian banks; they opened independent branches which they called "Islamic Dealing Branches", and went out of their way to emphasise that in financial status these branches were fully independent of the main banks.

The emergence of the Islamic banks was strongly connected with the widespread Islamic revival during the 1970s. As this resurgence came under attack and criticism from the enemies of the umma, so too did the Islamic banking experiment which was considered the practical manifestation of one of the aspects of the "Islamic revival phenomenon".

It can also be safely stated that the Islamic banking experiment was accompanied by mistakes, which is nothing strange for an "experiment". Officials of some banks do not deny this, though they attribute the errors to factors that could not be avoided. They say for instance, that there is a lack of efficient personnel qualified for the job, that is, who have a combined knowledge of banking business and Islamic doctrines in this practical field. Accordingly, banking business at those Islamic banks is always in need of a specialised panel of Islamic jurists to act as an overseer. Another example is the international banking system, which adversely affects the Islamic banks; an influence from which they cannot as yet escape.

But what do members of the public think about Islamic banks? At the International Islamic Bank, we interviewed a client, an Egyptian judge working as a counsellor with the Supreme Judiciary.

Why do you prefer to have your dealings with the International Islamic Bank?

The International Islamic Bank, and the Islamic banks in general, conduct their activities on Islamic bases and systems, such as speculation and profit-and-loss-sharing, to avoid "usury" as a practice forbidden by Islamic law. In my opinion, Islam is a developing religion. What the "Islamic Bank" now does is the best method for investment after diversity in aspects of economic activity.

Do you think that non-Islamic banks perform the same function in their Islamic branches, and perhaps on a larger scale than the Islamic banks?

I think that other non-Islamic banks do not play the Islamic role in full, even though they have Islamic branches. I think that these banks may contribute to activities fully alien to Islam, such as the import of liquor, while Islamic banks do not, naturally, participate in such activities. Non-Islamic banks may also transfer their money to foreign countries where their projects are consolidated in repayment for some debts. [Here, the counsellor made specific references to some state-owned banks.] These non-Islamic banks also finance imported meat deals, some of which, as you know, do not conform to the stipulations of Islamic law as to slaughter method and other relevant matters.

If it is your desire to avoid having your money used in a forbidden way — which is the main reason for choosing the Islamic bank — how do you know or verify that the bank does not use your money in a forbidden way?

I went through the bank's statutes when I wanted to open an account with it. Also, I constantly follow up bank publications, which say that investment is made into projects and activities in accordance with Islamic law. Bank budget data can also be checked to find out investment areas, and I can object to any in which I see reason for suspicion. Nothing prevents any client from making this follow-up. Also, nothing bars him from attending the bank's general assembly meeting. In my opinion,

responsibility for verification and assurance lies with the investor who has to make the follow-up himself and ask for information, budget data and so on. He has to take the initiative himself.

What type of projects do you prefer the bank to invest in?

There are many projects, such as housing, public hospital and university projects, which are areas for possible bank contribution, as well as the participation of Islamic banks in general.

In your opinion, what are the causes of the campaign against some Islamic banks in particular and the Islamic economic experiment in Egypt in general?

I see more than one reason: firstly, management red-tape at Islamic banks and companies gives rise to a common belief that there is no difference between them and the non-Islamic banks; secondly, the facilities that non-Islamic banks extend, especially in the credit and investment sphere; thirdly, although the Islamic economic experiment, represented in Islamic banks and companies, is still nascent, people are in a hurry to see substantial results; and fourthly, there is a desire, usually hidden, to fight everything connected with Islam. This desire has overt and covert causes. I will say no more in this regard, due to certain sensitivities which you know. It is my opinion, however, that we as Muslims, should contribute to boosting Islamic banks and projects, and if there is any mistake, then we should give each other advice. It is easy to criticise and to pull down, but it is difficult to build. If I had a wish, it would be to establish a general Islamic bank at the level of the whole Islamic world, with branches in all the Arab and Islamic countries. It would finance productive and economic operations. It would contribute to an Islamic upsurge. Should this happen it would, in my judgement, represent a good step on the path to a real revival and a genuine independence.

What is your evaluation of the Islamic banking experiment now?

In actual fact, the experiment is still a new one. The bank is only five years old, or probably younger, so we ought not to pass judgement on the experiment in haste. Judgement needs consideration which should cover a relatively longer period. Generally speaking, however, clients of the Islamic banks in Egypt and clients coming from the Arab states react favourably. I think that as time goes by, the reaction will increase. The experiment is still young. Anyhow, to cut a long story short, I would say that I do not like to jump to conclusions.

A woman employee of an Islamic bank, was interviewed about procedures, measures and problems. With reference to bitter complaints from some clients, especially as regards measures and complications, she said that the only measures some clients faced, particularly borrowers, were some type of guarantee for the bank. She wondered whether the mere act of laying down these measures, or restrictions, gave rise to complaints from clients, and she thought that the reason for this was that many clients came to the Islamic bank, believing that as long as it was "Islamic", they would run into no difficulties or procedures, and that every problem would be solved without effort — a concept that she said was a wrong one under the conditions in which work is done.

Regretting some clients' claims that the bank determined a fixed dividend rate, thereby raising anew the interest problem, she said that clients, or rather most of them, had insufficient knowledge of Islamic banking. She also made the assurance that the "dividend rate" was the rate actually realised and distributed among clients and was not a fixed rate determined beforehand under a bank "promise" on future dividend distribution.

Explaining the most important problems facing Islamic banking, she said that there was the liquidity problem: a high monetary liquidity rate. She explained that this had legal dimensions, and that the economic and investment conditions in Egypt were also not encouraging, under contradictory economic decisions and government instability.

Faced with an accusation made against Islamic banks, including her bank, that they invest in non-productive activities, she pointed out that: firstly, the investment project development role of traditional banks in Egypt was almost non-existent, as they concentrated on projects which achieve only profit and which do not serve large segments of society (such as luxury goods); secondly that her bank had plans for projects of interest to the masses in the spheres of housing and food security, on which they had actually embarked. She added that it had to be remembered that the bank was still in its infancy and needed time to find its feet. She also pointed out that the bank would be starting many projects shortly (on integrated Islamic schools, etc).

Bank client Rifaat Abdel Sattar, an engineer working in Kuwait, explained why he had dealings with the Islamic bank. He has two accounts, investment and current, and added that he had transferred his accounts from the National Bank of Egypt to the Islamic bank after six years with the former.

Explaining why he had chosen the Islamic bank for depositing and investing his money, he said: "Firstly, it is an Islamic bank, and as such dividend is not fixed, a fact which divorces it from the usury system which is forbidden by God. Secondly I am reassured of the Islamic legality of the return and dividend I receive, especially as the bank collects the zakat due on this money and disburses it in accordance with Shariah stipulations. Thirdly, the bank serves society and is of benefit to it through the projects and companies it finances and establishes. One more thing here is that the Islamic bank gives me a chance to put into effect some Islamic virtues and duties in a better way (such as helping the needy and paying zakat)."

Drawing a comparison between Islamic and conventional banks, he said: "Frankly speaking, I was very pleased and satisfied at the beginning, but then it appeared that all (Islamic and non-Islamic banks) were the same."

Dr Atef Kamel, Professor of the Faculty of Engineering at Cairo's Al-Azhar University, has two accounts with the International Islamic Bank, one

current and one investment. He is also a businessman. Asked why he had chosen the Islamic Bank, he said that his reasons were related to a belief in Islamic dealings made by Islamic banks in general and not just the bank in question alone, and to the attractive high dividend rate compared with non-Islamic banks. However, he too said that it finally appeared to him that there was no difference between Islamic and other banks. His evidence was that the conventional banks had opened branches which they called "Islamic branches". We then asked:

Do you not believe that the phenomenon of Islamic branches in the ordinary banks is a healthy one, in favour of the Islamic banking experiment in general, even though the conventional banks are trying, through these institutions, to pull the carpet from beneath the feet of the Islamic banks?

I think that in having Islamic branches, the conventional banks are using a trick to deceive people. Nevertheless, I am in a position to tell you again that there is no difference between the Islamic and the other banks. I found this through my dealings with the bank in my capacity as a businessman. Insofar as borrowing for industrial and development projects is concerned, the rate payable to the Islamic bank may be double that payable to other development banks. It is true that the bank does not fix a rate in advance, but it does charge a high rate.

Ahmad Fuad, an employee with the Gulf Bank in Kuwait, also has two accounts with the Faisal Islamic Bank in Cairo, again, one current and one investment. He has other dealings with the International Islamic Bank for Investment and Development and with the El Sherif company. Asked why he had all his dealings with Islamic banks, he said that as long as there was room for Islamic financial activity, he would be contributing to it as a Muslim, though he personally works for a non-Islamic bank.

Do you not see any contradiction in this?

We have actually felt this and sought opinions on it. The committee of fatwa (religious verdicts) of Al-Azhar sent us a fatwa on the admissibility of this.

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What types of project do you prefer for your bank deposit investment?

Naturally, I prefer the type of investment deposit which is not tied to particular projects, but I prefer projects that are of benefit to large segments of the population, even if they are made at the expense of dividend! For example, the bank gave a 7.5 per cent dividend last year (less than all the other Egyptian banks). Nonetheless, no one withdrew their deposits or their confidence from the bank.

EGYPT

EXPANSION OF ISLAMIC MISSIONARY ACTIVITY PLANNED

Cairo AL-AHRAM in Arabic 7 Dec 85 p 8

[Article by Sa'id Halawi: Islamic Centers Overseas to be Expanded and Supplied with Teachers, Missionaries, and Publications"]

[Text] The Supreme Council for Islamic Affairs has resolved to expand Islamic centers in foreign countries and supply them with teachers, missionaries, and publications. It also resolved to increase local Islamic centers especially where the masses gather and at industrial and work establishments and universities.

The Center's activities and plan for the new year will focus on reviving Islamic heritage, according to Dr al-Ahmadi Abu-al-Nur, minister of Awgaf, who said that 10 books on Islamic heritage will be published within the next few days after approval by the Center's committee for heritage revival.

It was also reported to revise the Encyclopaedia of Islamic Jurisprudence and its interpretation of the tradition of the prophet. The book will be in 50 volumes, of which 18 have already been published.

It was further resolved that the Center, through its various committees, will monitor and respond to all heresies against Islam. Emphasis will be on disseminating Islamic messages and books in various European languages and local dialects. The print run of MINBAR AL-ISLAM magazine in various languages will be increased in order that it be available to Muslims who desire it throughout the world.

In another development, the minister of Awgaf allotted 6,200 pounds as an additional grant to increase the number of Council scholarships for students from the Arab and Islamic worlds in all continents.

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EGYPT

PROFILE OF HAFIZ SALAMAH

Jerusalem AL-BAYADIR AL-SIYASI in Arabic 26 Oct 85 p 47

/Article: "Egypt's Khomeyni...An Enemy of Israel"

/Text/ The name, "Egypt's Khomeyni," is being uttered in the Arab news media and the Israeli press as well. It is being said that he was the spiritual father of the secret Egyptian organization known as al-Takfir wa al-Hijra, which is reported to have carried out the assassination of alSadat 4 years ago, and today he leads the Islamic Guidance Organization. Although Shaykh Hafiz Salamah is 60 years of age, he is still active and causing trouble everywhere.

He has been arrested several times, but the Egyptian security authorities would always release him due to the lack of evidence against him. Al-Sadat had him removed from his position as khatib (preacher) and imam (prayer leader) of the Al-Nur Mosque in early 1981, but after al-Sadat, President Husni Mubarak returned him to his position in the context of his policy of internal conciliation, which he implemented a short while after coming to power.

Shaykh Hafiz Salamah has become very prominent, especially in recent months, as the news media are continually speaking of him as an inciter of the Egyptian people and are treating him as one of the greatest agitators against Camp David and peace with Israel.

Shaykh Hafiz Salamah's religious sermons deal with politics and are indistinguishable from demagoguery against Israel and Zionism. He tried to organize an Islamic march within 4 km of the seat of the presidency under the banner of applying shari'ah (religious) law. He was arrested beforehand, however, and was released a month ago.

Hafiz Salamah has a long history, as his political and /Arab/ nationalist positions are not new. He participated in the armed political uprisings that took place in Egypt against the British occupation in the 1940's. After that he took part in the violent demonstrations that filled the streets of Egypt against the British occupation and the monarchy. He was a leader of the Islamic Muhammad's Phalange, which proclaimed itself the enemy of the British in Egypt and the oppressive monarchy.

Shaykh Salamah likewise joined bands of Arab volunteers and led a number of Egyptian volunteers who fought in Palestine before 1948. Later he participated with the Egyptian forces in the conventional war against Israel.

After that, /Salamah/ moved on to join the struggle going on against the British in the canal cities and fought against them. He supported Mustafa Hafiz' groups, which operated against Israel in the Gaza Strip at the beginning of the 1950's.

He continued his work and his religious activities during the years that followed. Since 1981 he has headed the new Islamic Guidance League, after the former organization, which he had formed in the early 1970's, had been inactive for several years. He was arrested amidst the extensive campaign of arrests that the al-Sadat regime launched against the Egyptian opposition. Since his release he has been working as a khatib in the Al-Nur Mosque and serving as editor-in-chief of a magazine called AL-MUKHTAR AL-ISLAMI. The main focus of his efforts and his writing has been agitation against Israel and Zionism and demanding the abrogation of the Camp David agreements.

It has been noted that the main title of the magazine AL-MUKHTAR AL-ISLAMI is considered a provocation against Israel and the United States, and the magazine's motto, "Our struggle against the Jews, from Khaybar to Camp David," is something that clearly sets forth his view of Israel and what he wants to reach and achieve.

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EGYPT

CHANGE IN UNIVERSITY'S ROLE, OBJECTIVES, STRATEGY URGED

Cairo AL-AHRAM AL-IQTISADI in Arabic 7 Oct 85 pp 12-16

[Article by Dr Ahmad 'Amir, dean of Port Said Business College: "Our Universities Are Not Practically Disarmed"]

[Text] What are the universities awaiting? The universities have been put to the test to prove their ability to challenge, encounter, and confront. Will they pass this difficult test? We hope so.

When a questioner asked Prime Minister Dr 'Ali Lutfi about the nature of his cabinet, the prime minister answered that it is a cabinet of confrontations and encounters. Our universities have been confined to the role of a house of expertise that offers studies and research, providing an analysis of the nature of the problems and a diagnosis of the ailments afflicting the Egyptian society's body socially, economically, culturally, politically, and so forth. Our universities have been content with a role that saddles them with no responsibility for decision-making. This situation has been comfortable for our universities which have performed their role faithfully by offering alternative solutions to the problems facing society. But our universities now hold in their hand the offensive weapons to attack backwardness. Men have now risen from among the universities' ranks and hold the weapons to confront and finally liquidate the chronic problem. University men, represented in the prime minister and his colleagues the ministers, most of whom are university men and professors, hold the executive power, i.e., the power to implement the decision. Decision-making authority and the authority to issue legislation are also held by a university professor, namely the People's Assembly speaker. The consultative authority is headed by a university professor, namely the Consultative Council chairman. The ruling party, i.e., the management that pushes, moves and steers political action, is headed by a university professor, namely the party's secretary general. The control agencies watching the implementation of decisions, namely the Central Accounting Agency and the Central Organization and Administration Agency, are each headed by a university professor. Therefore, all the decision-making phases, beginning with diagnosing the problem and studying the likely alternative solutions, the decision-making, the implementation of the decision and the control over this implementation to insure that it proceeds in the desired direction needed to achieve the objective--all of which are important weapons--are in the hands of our universities. This is an existing reality rather a wish. When we say that

the modern state is a scientific state, then it is a foregone conclusion that science embodied in the epitome of its presence, namely the universities, should lead the development and growth movement. Will our universities succeed in the battle of facing and confronting the challenge under the canopy of extremely sensitive and difficult circumstances?

This requires that we examine our universities from within and that we begin by reforming university education itself. The modern state's structure is founded on a firm base of educational knowledge and on subjugating this knowledge to serve society, meaning that education's sound position is embodied in leading the movement of society's development, growth, and progress.

This fact gives rise to an essential question regarding the university's position in the battle of building and in the challenge to storm society's problems in a scientific manner that insures the liquidation and the fundamental and final solution of these problems.

We must note from the beginning that the university's third dimension is to enhance society, contribute to solving all its problems, build its culture, and achieve welfare and prosperity for the citizens. This is the economic and social task which has been occupying third place, considering that the university's primary function is to develop human knowledge through scientific research and through training generations of society's scientific and intellectual leaders and that the university's second function is to disseminate education and to train human cadres who are specialized in the various fields of knowledge required by society's activities. But we find that the third function has advanced to hold a prominent position, rather the top position, in the phase of the civilization challenge and of achieving prosperity and a better life for the country and the citizen, since it is no longer acceptable that the university's role in the modern state continue to be as it was in the past, namely an ivory tower concerned with developing knowledge for the sake of knowledge and for the mere discovery of facts. The university has now become a fundamental instrument for developing and enhancing society. It is considered, and rightly so, the vanguard leading the development and progress of all spheres to rationalize the utilization of the available and scarce resources in order to produce a greater yield at a lower cost.

It has become society's duty to supply universities with all the prerequisites of their success so that they may achieve for it the desired development, since we have acknowledged that education, through the university, is what leads society's development. Consequently, it has also become the university's duty to play a direct role in development and to contribute to the formulation of scientific solutions to the obstacles impeding the movement of society's development.

Since the future of the university, any university, as an educational institution is determined by its ability to perform its primary function, namely serve society, then this makes it incumbent on the university to explore the paths and courses to approach this predetermined objective. This is why the university must be linked to the work and production sites

and to the services through open and effective communication channels and why firm and strong bridges must be built between the university and the production sites so as to permit the flow of currents of effective cooperation in both directions.

Such conduct has become one of the age's necessities for achieving the desired development speedily and efficiently because the development efforts cannot attain their desired objectives speedily and efficiently except over these bridges which transmit to the university society's pulse and as fundamental issues without distortion or alteration.

Constant creative work in the age of science and technology requires the consolidation of efforts, the exchange of expertise, and constant interaction between the university and society's production and service sites. This is why the university must be open to the leaders at the service and production sites and, similarly, why these sites must be a broad field for research and studies by faculty members. On the basis of this fact and out of the university's belief in its real commitment to society's problems and to effective and energetic participation in the initiative and in the daring assault on the citizen's and the country's problems with the aim of finding solutions to these problems, the university's neutral viewpoint of society's problems has ended forever to be replaced by the positive viewpoint or by the university's functional role and by the university's full alignment with society's fundamental and urgent issues. As long as we have acknowledged from the outset that knowledge for itself is no longer a demand and that knowledge is primarily for the service of society, then the university will have no life if it isolates itself from society. Such isolation harbors the danger of inactivity, rather the danger of perdition, because the very presence of the university becomes a source evoking questions on the part of the citizens.

The university derives its support, encouragement, resources, and needs from society. It also yields and exports its products to society. The university begins with society, deriving its presence and capabilities from it, and it ends in society because it has to harmonize its activity with what is compatible with society's demands and needs.

Strategy and Objectives

For a time, university education in Egypt moved in a haphazard manner without clear objectives or a clear strategy defining its course and controlling its movement to achieve the goals set for it or even to choose the most suitable means to achieve these goals. This is perhaps what motivated the July 1952 revolution to turn, less than 2 months after its inception, toward reforming university education and to focus mainly on defining a clear philosophy and strategy embracing university education's objectives. In September 1952, committees were formed to develop university education. The man chairing the committee concerned with university education was former Prime Minister "Ali Mahir Pasha. What was required of this committee was to define the objectives of university education and to determine whether the objectives were to graduate civil servants to work

in the government offices and agencies or were merely to graduate methodological researchers, regardless of whether they met or did not meet society's real needs, particularly the needs of the state's administrative apparatus. But the university education reform movement died in the cradle and did not achieve its objectives.

Our university education is still striving to determine its shortcomings and is exploring its path in the absence of a strategy or of guiding objectives. Law No 49 of 1972 came to define in its first article the objectives of university education in vague and ambiguous words, with this article stating:

The universities shall be concerned with whatever pertains to university education and scientific research conducted by their colleges and institutes to serve society and to enhance it civilizationally, seeking in this regard to contribute to the enhancement of thought, the progress of science, and the development of human values; supplying the country with specialists, technicians, and experts in all spheres; and training citizens equipped with the principles of knowledge, with the advanced methods of research, and with noble values so that they may contribute to building and bolstering a socialist society, to making the country's future, and to serving mankind. The universities are thus considered a stronghold of human thought at its highest levels and a source for utilizing and developing society's most important and dearest resource, namely the human resource. The universities shall also devote attention to reviving Arab civilization and the Egyptian people's historical heritage and their deep-rooted traditions. They shall further devote their attention to a high level of religious, moral, and national education and to strengthening their cultural and educational ties with the other universities and with Arab and foreign educational organizations.

The state shall guarantee the independence of the universities in a manner that ties university education to society's needs and production needs.

With these general phrases and in a single article, the strategy and objectives of university education were defined as those of serving society and enhancing it civilizationally and of supplying society with specialists, experts, technicians, and methodological researchers. This article concluded by referring to the ties of university education to society's needs and to production needs.

This is why we suggest that the new law on the organization of the universities devote an entire section in which it defines how society's needs are determined and which is the authority entrusted with this task--a section which then spells out the alternative means and methods so that each university may select what befits its circumstances. This issue should not be left up to the private interpretation of each university out of the belief that the Universities Higher Council is performing its task of linking and coordinating the activity of all universities. This leads us to the issue of the relationship between the university and society.

University and Society

The dimensions of the relationship between the university and society are diminishing to the point of disappearing and of making one wonder: Is there a relationship or a link between society and the university? If it exists, then where is it? That society and the university currently seem to be going their separate ways toward achieving their desired objectives reflects the weakness or absence of these links. Society does not yet know what it wants from the university or what are its needs which the university should meet and the university does not know precisely what society wants from it. But with its scientific perception, the university strives and tries within the limits of its modest resources to meet what seems to be urgent needs or what national problems may confront society.

The university must be viewed as a unique production system whose products, in the form of educational services embodied in a varied mixture of graduates and a varied mixture of research products, flow into society to end up in the production and service centers operating in society. There is no doubt that the vitality of the role of the university production system emanates from the objectives which must be defined clearly and more precisely by the law organizing the universities. The first article of the current universities law is content with referring to two objectives generally: making men products of the educational process, and research products aimed at enriching the educational process on the one hand and serving society's production needs on the other. Consequently, the university has two activities: educational production activity and research production activity.

The practical approaches to development must answer the following question: In the coming years, what are the Egyptian society's requirements for university graduates? The university must produce that which satisfies society's quantitative and qualitative needs. Production without specifications or with interpretive specifications from the past years of the life of university education has led to turning the demand for Egyptian graduates in the Arab labor markets into a demand for foreign graduates.

Determining the specifications, skills, and knowledge needed in the university graduate determines in turn the type of curricula, libraries, laboratories, workshops, and even faculty members needed.

Studying the degree of compatibility between the university graduates and society's needs supplies us with a clear framework of the mutual-effect relationship between the university and society, considering that the university, as an open system, cannot be isolated from its environment. It is an important part of the society in which it lives and from which it derives its resources and capabilities, including students, professors, employees, and financial capabilities. It takes from society and it hurls into this society 75,000 graduates a year with various specializations. These graduates are required to meet society's needs and to be able to perform their task and role in society's development and growth activity.

The university's role in solving development problems is thus bolstered and its role in serving, first, its Egyptian environment and, second, the Arab environment and, finally, the international environment becomes understood.

Here arises an important question of the degree of compatibility of the specifications of the various university graduates with, first, society's varied needs and, second, with its changing and developing needs. The colleges' ceaseless endeavors at development reflect perhaps the extent of the need for a clearer and a more effective level of compatibility. However, it is noticed that these development endeavors are not often founded on and do not emanate from a study of the real situation and the specifications which society needs and requires in the university graduate. The endeavors are usually founded on intrinsic or private interpretation. Consequently, the development may hit the target, may often swerve from it, or may miss it. This is why a more accurate and objective determination must be made of society's needs of university graduates with various specializations. A realistic study must also be conducted on the degree of this graduate's compatibility with society's needs and of the degree of society's satisfaction with the current standard of the university graduate. There must be a constant linkage between the level of the academic curriculum and environment's needs. Here an effective formula must be found for constant interaction and cooperation between the universities and society so that the communication channel may be a two-way channel that is not confined to improving university service with aid and support so that it may become more capable and effective and may produce more in performing its mission. This is because the inevitable consequence of the absence of linkage between the university education policy and the real needs of the various production sites for human resources is the development of an imbalance in the labor structure which is embodied in the supply of and the demand for labor. The current imbalance in the Egyptian labor structure--an imbalance resulting in a shortage of graduates with certain specializations and a surplus of graduates in other specializations--is reflected ultimately in the form of lower work productivity rates at most of the production sites. In other words, one of the most important issues in developing the university education policy is to close the gap between the supply of and the demand for university graduates at present and in the future. We must point out in this regard the issue of rationalizing the use of the research skills embodied in faculty members, of channelling this use toward serving society's issues, led by the development problem, and of generally organizing for the maximum utilization of the resources available in the university production system so as to fill the gap between the desired role, or the form this system should take, and what is currently in existence.

The development of university education must extend from form to content in a manner that meets the new Egyptian society's needs in the short run and in the long run and that enables the graduate to withstand competition in the Arab and international labor markets because the universities affect society through educating and training graduates, through higher studies and research programs, through consultations and high-level ideas and training, and through the services faculty members render for the ministries, government agencies, other state institutions, the public sector,

and the private sector. The universities also influence the Arab labor markets and supply them with educational know-how through loans, educational missions, leaves without pay, temporary emigration, books, research, scientific conferences, and so forth.

The view toward university education must change. Spending on this kind of education is not a waste of national resources or a burden on development. It is a national investment aimed at training a manpower that shoulders the development burdens. University education that becomes an instrument of development and not a burden on it. This is why attention must be devoted to developing this education constantly so as to graduate specialists in the various fields in numbers and with a standard that serve the Egyptian, Arab, and international labor markets. There is no doubt that improving the quality of this education will automatically lead to enlarging its yield. The financial yield of university education in some countries is estimated at three times the yield of financial investments in the sphere of commercial activity. This is in addition to the non-economic objectives which university education achieves. Universities play an evident role in forming the human bases of the graduates whose standard must be linked to the labor market needs. Therefore, the planning of university education must not be done in naive, primitive ways that rely on copying and imitating advanced countries in a manner that rarely takes the Egyptian reality into consideration in order that the university education policies, programs, and decisions may serve the development objectives qualitatively and quantitatively and in order that university education may become a main axis in the dynamism of society's various sectors.

Because university education has a basic function in training manpower to achieve the development objectives, this function requires, first, that the characteristics of society's work be determined. This determination is tied first to defining the economic sectors and their components and then to determining the type and category of the job needed and of the level and type of university education required.

Second, the universities are entirely responsible for the obstacles to development and for its ailments. Through scientific research, they can provide effective and successful solutions and offer planners, policy-makers, and development decision-makers convincing and objective projections and predictions. For the universities to perform this task effectively, they must be guaranteed financial aid and must be given the freedom to move, act, and look for new sources to finance university education because the universities' current reliance on government financing to meet their expenditures leads to a major crisis in assets and uses. Therefore, one way or another must be found to make the various business organizations contribute to providing the universities with various assets.

Tomorrow's university is the strong support for tomorrow's society. Because the diagnosis of various dimensions and changing elements of the current university education crisis show that the crisis lies fundamentally in the gap between the demand side (society and its needs) and the supply side (the university and the quality of its graduates and research), then this crisis can be overcome only through concerted programs to manage a planned change to achieve the objectives of enhancing the standard of university

education. This leads us in turn to the issue of the universities' enrollment policy.

Universities' Enrollment Policy

We cannot determine the universities' enrollment policy unless the strategies and objectives sought by the university education system are defined in advance, since the policies, including the enrollment policy, are nothing but instruments that serve the main objective of university education. When university education's objectives and philosophy are defined clearly, then it becomes possible to search for the proper means.

One of the most complex problems facing university education lies in the large number of students enrolled in the universities each year--a number that has reached 90,000 students a year--regardless of development needs. The distribution of students to the various colleges must be done in accordance with the development plan's requirements. This requires in turn accurate information, data, and statistics in order to make it possible to plan the universities' enrollment policy on a realistic, scientific basis. The essence of rationalizing the universities' enrollment policy lies in adopting a number of measures that help achieve the desired balance between society's needs and the number of students enrolled in universities. This rationalization also requires the periodic reexamination of the number in light of society's changing needs. This problem can be tackled not by reducing the number of students enrolled in universities. Rather, it can be tackled gradually by curtailing enrollment in the general secondary schools and by channelling students toward secondary technical, business, agricultural, and industrial schools. To make this approach acceptable to public opinion, the graduates of technical industrial schools can be initially appointed in grades close to those of university graduates. This requires a reexamination of the policy of pricing certificates.

It is true that the philosophy of enrollment in the universities is tied to the principle of equal opportunity and the principle of democracy of education, which means giving every qualified citizen the opportunity to obtain an education without any discrimination because of sex, religion, or social status or because of any consideration other than the citizen's mental capabilities. But we must point out that the principle of equal opportunity and of democracy of education is not an absolute principle but one that is tied, first, to the student's mental capability and his ability to absorb a university education and tied, in the second place, to society's need for this kind of university education and the capability of each college to absorb a certain number within the limits of its resources.

Therefore, the system of university enrollment currently in force--a system founded on the basis that the student's mere acquisition of the high school certificate entitles him to a place in the university--must be reexamined. The comparison in the current system is made on the basis of the student's grade total. This system does not consider secondary school education the end of a phase but rather a competition that takes place throughout the state for qualification for enrollment in a university, whereas enrollment in

a university must take place on the basis of the quantitative and qualitative manpower needs of the development plans and according to the universities' absorption capacity.

This is why additional controls, criteria, and requirements must be established for enrollment in the universities. In addition to obtaining the general secondary education certificate, it must be made conditional that the student acquire as a minimum 65 percent of the general secondary education grade total to apply for enrollment in the university. This does not undermine the principle of equal opportunity or of democracy of education because this requirement is tantamount to a measurement of the mental capability of the student who should enroll in university education. As long as this criterion is applied to all students without exception, it will achieve the principle of equal opportunity. This approach spares the state the burdens and costs of educating the mentally incapable and also, fulfills the principle of equal opportunity. So, either every student obtaining the general secondary education certificate in any year must be allowed to enroll in the university, or enrollment must be made conditional upon obtaining this certificate and then passing an examination in a preparatory curriculum qualifying the student to enroll in the college he desires, provided that this curriculum is studied for a period of 2 years in a higher education institute.

Reexamination of the universities' enrollment policy raises anew the issue of the founding of private universities so that we may avoid this enormous number of students who usually go to colleges abroad for 1 year and then return to enroll in similar colleges, thus hitting the principle of equal opportunity in the heart. Moreover, the founding of private universities is no more than an extension of the system in operation in the elementary, preparatory, and second education phases, not to mention the foreign currencies such universities will save--currencies that are annually siphoned from the foreign currency revenues. Moreover, the founding of such universities would be tantamount to rationalizing free education.

The establishment of control on the number of students enrolled in the universities is tied to the reexamination of the system of affiliation which we embrace and which has lost its wisdom and function, since affiliate students are full-time students. Moreover, a student who exhausts his repeat years in one college must not be enrolled in another college as long as the state has given him an opportunity to obtain a university education for a reasonable period of time. Such students can be channelled toward the middle-level technical institutes, thus helping to make up for the shortage of technicians who undertake the burden of implementation work. The cycle is thus completed, with excelling students sent upward to the colleges and with failing students lacking the mental capability of absorbing university education diverted from the colleges to the institutes.

In any case, the university enrollment policy must be reexamined in a manner that permits it to be confined to the enrollment of a number of students compatible with the number of faculty members, with the material resources available, and with the labor market's need for various specializations.

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EGYPT

FIBER OPTIC TELEPHONE SYSTEM OPERATIONAL

Cairo AL-AHRAM in Arabic 1 Dec 85 p 8

[Article by Ahmad 'Ismat and 'Abil al-Dib: "First Fiber Optic Telephone Network Put Into Service. Ten New Exchanges in al-Giza. Addition of 20,000 Lines to al-Muhandisin"]

[Text] The wire and wireless communications authority has begun operation of the first link in the fiber optic network between the Ramsis and al-Zamalik exchanges to strengthen telephone communications between the two areas for the first time as part of a comprehensive plan to cover Cairo with this network. Ten new exchanges will be opened in al-Jizah in addition to 20,000 lines as part of expansion in al-Muhandisin.

The authority is currently linking all exchanges in the capital to this network to strengthen communications among the various regions and to assure the completion of calls in case of trouble with the traditional connections linking the exchanges.

Fiber optic cables have the advantage of not being affected by temperature or electrical charges present in cities. They also occupy less space which makes future expansion possible by adding new cabling to service subscribers and connect areas.

In another development, Engineer Sulayiman Mutawalli, Minister of Transport and Communications, and the day after tomorrow Dr 'Abd-al-Hamid Hasan, governor of al-Jizah, will inaugurate 10 new centrals in southern al-Jiza and the expansion of centrals in al-Muhandisin by 20,000 lines.

At a meeting yesterday of al-Jiza Local Council chaired by Mr 'Abd-al-R'uf Abu-Humayla, Engineer Muhammad Salim, head of the West Nile telephone sector, said that the feasibility of automatic dialing is now under study for all subscribers in Cairo and al-Jizah, in addition to new exchanges for al-Badrashayn, al-Hawamdiya, al-"Ayyat, al-Saff, al-Akhsas, Atfih, Kafr 'Ammar, Abu-al-Namras, Mazghunah, and al-Shawbak. They would have a capacity of 8,810 subscribers in the first stage, expandable to 15,000 in the second.

He added that a similar project for local units would be carried out in northern al-Jizah. The feasibility study is now underway for the installation of direct lines in villages and for abandoning the old manual system. He said that long-time subscribers in Abu-al-Namras and al-Hawamidiyah will have an option to keep old direct lines or choose new ones connected to those of Greater Cairo.

12945/12828

CSO: 4504/117

EGYPT

BRIEFS

NEW POWER TRANSFORMERS--The minister of electricity, Eng Mahir Abaza, and minister of housing and utilities, Eng 'Abd al-Rahman Labib, inaugurated 4 electric transformers for cement plants in Hulwan, whose purpose is to feed the new lines for production and expansion. The housing minister announced that the local production of cement will be increased during the current fiscal year to 7.8 million tons. The ministry will adopt measures to guarantee the availability of cement in the marketplace through importation from abroad, in order to meet the needs of the construction sector. This would come as the ministry's plan for self sufficiency in this basic material by 1989 continues. According to this plan, production would be increased to around 20 million tons, with the achievement by 1992 of a surplus marked for export. He added that the ministry intends to double production during the coming years, in addition to the new /production/ lines and cement plants, in order to meet domestic needs and for export. Production would reach 40 million tons by the year 2000. The minister of electricity said that his ministry is giving top priority to supplying the new factories and the manufacturing plants with electricity. He said that the cement plants' demand for electricity in the year 2000 will reach 1,600 megawatts, equalling the capacity of two plants like the large Shulbra al-Khaymah station. The cost of the transformers comes to 17 million pounds. /Text/ /Cairo AL-AHRAM in Arabic 23 Oct 85
p 1/ 9614/12276

CSO: 4504/107

PALESTINIAN AFFAIRS

THAI, MALAYSIAN, BANGLADESHI REAFFIRM SUPPORT

Bangkok NAE0 NA in Thai 1 Dec 85 pp 1, 16

[Unattributed report: "Thailand Supports Palestinians in Their Fight for Rights and Freedoms"]

[Text] Thai and Malaysian prime ministers send letters voicing support for the Palestinians. The Bangladesh Fighters Association has sent 600 men to fight alongside the PLO.

On the occasion of the special conference held by the Committee for the Just and Inalienable Rights of the Palestinian People, on 29 November, Gen Prem Tinsulanon, the prime minister sent a letter expressing sympathy and support for the struggle of the Palestinians.

Gen Prem's letter stated that the Thai government calls on everyone concerned to attach importance to the peace movement in order to find a just and lasting solution to the Palestinian problem. Such a solution must take into account the legal rights and the desires of the various factions concerned. Efforts must be made to maintain and promote an atmosphere of confidence, understanding and sincerity among the various factions.

On 29 November, Mr Mahathir Mohamad, the prime minister of Malaysia, voiced support for the struggle being waged by the Palestinians for justice and for the right to have their own country.

Mr Mahathir's letter stated that the Palestinians have been denied their legal rights. Even though the international community supports the Palestinians, Israel has refused to end its aggression and abandon expansionism.

Prime Minister Mahathir voiced support for the idea of holding an international conference for peace in West Asia. All sides concerned, including the PLO, would be invited to attend this conference.

At the same time, Mr Siaul Gaber Dulu, the president of the Bangladesh Association of Fighters for Palestinian Freedom, talked with reporters in Dacca last Thursday and told them that his association, which is fighting on the side of the PLO, will send approximately 600 Bangladesh volunteers to join the PLO in various Arab countries, including Tunisia, Jordan, Algeria, North Yemen, and the Sudan.

11943
CSO: 4207/102

AFGHANISTAN

ARTICLE DETAILS CONDITIONS AFTER 6 YEARS OF WAR

Paris LE FIGARO MAGAZINE in French 9 Nov 85 pp 94-96, 98, 100, 102, 104

[Article by Robert Lecontre]

[Text] Six years of war, one million dead, 5 million refugees, a forgotten genocide. It was in November 1979 that American satellites spotted a heavy concentration of troops ready to invade Afghanistan. The White House did not react. On 27 December, by means of a gigantic aerial bridge, the USSR was taking control of Kabul. Today, despite the terror, massacres, torture, "scorched earth" tactics, and gas, the Red Army controls only 20 percent of the country. It has already lost 50,000 men, 3,000 tanks and armored cars, and 800 planes and helicopters. This war costs Soviet Russia \$5 million per day.

Never Ending Exodus

Five million women, children, and old people, chased away by the war, have had to flee their villages. Three and one-half million have sought refuge in Pakistan, and 1.5 million in Iran. In the east, they are dying of hunger. In the west, Khomeyni forcibly registers all males, whatever their age, and sends them to fight against the Iraqis. The boy in our photo, with his scrap of canvas serving him as a tent, symbolizes all the wretchedness of the world of refugees, everywhere where rivalries and ideologies come into conflict, in Africa, Asia, and in Central America. At night especially, those fleeing proceed in long columns, on foot, and on the backs of mules, with their small bundles. They are still walking by daybreak when they go to ground, exhausted, so as not to be discovered by the invader's helicopters which machine-gun them and bomb them with napalm. Many die along the way. Others are cut to pieces by antipersonnel mines. They traverse hundreds of kilometers in the heart of the mountains with nothing more for food than a few biscuits and tea. Now the trails are covered with snow. The cold kills as well as hunger.

Scorched Earth

The Soviets systematically destroy all villages, irrigation canals, crops, and livestock. They spread terror so that the population will withdraw its support from the resistance. In fact, the result is the very opposite. The more the graves of the martyrs multiply, the more the guerilla war intensifies. But nearly everything has been razed, dwellings, wheat granaries, mosques (15,000), and schools.

In the upper left photo, warrior leader Amin Wardak teaches some kids to read, between two ambushes. Below is a picture of a child who has just died, his body cut to pieces by a mine [photo not included].

Thousands are dying this way, and tens of thousands of others will remain injured for life. On the right, a mujahid guards the remains of a village with his kalashnikov, taken from the enemy.

The children are playing a bit further off. As soon as the throbbing of the helicopters is heard, the villagers hide in holes. All Afghanistan, apart from the big cities, is dotted with ghost towns of ochre cob, visited mostly by wolves and hyenas. Hundreds of thousands of hectares of fields have been abandoned. Once self-sufficient, today the country is experiencing famine.

God's Underground Fighters

Every valley and every mountain has its tribe. The "underground fighters of the interior" are not in the least bit interested in the 15 or so political resistance parties established in Peshawar in Pakistan.

Here, one has to survive, to fight, without medications, and with very little food and only a little ammunition.

The warriors are all peasants who only come down from the mountains to set deadly ambushes for their enemies. The Pachtuns (40 percent), Tadjiks (25 percent, actually Persians), Turkmenians, Uzbeks, Nuristanis, Kirghiz, and Baluchis are fervent Sunni Muslim believers.

Only the Hazaras, descendants of the Mongol hordes, are Shi'ites. But five times a day they all pray, turning towards Mecca. The 5,000 mullahs are distributed among all the guerilla groups and bear arms like all the rest. Fundamentalists and traditionalists have made a truce in order to fight the "chouravi" (the Russian). Islam is the cement binding this mosaic of peoples. The pugnacity of the 9 million Afghans (those remaining of the 15 million) is particularly worrying to Moscow, because 80 million Soviet Muslims will not remain passive forever.

Kalashnikov Against Kalashnikov

The Afghan underground fighters obtain their weapons mainly from the enemy. They also take those of deserters.

There is even a trade in arms carried on by the Russian soldiers who sell weapons stolen from depots to make money. The morale of the occupiers is not good. The troops have even begun to smoke hashish.

Several soldiers were shot after having pillaged shops and bazaars. Three officers were executed. They were implicated in illicit gold and foreign currency trading. According to expert opinion, the fighting spirit of the expeditionary force is mediocre.

The Russians stay hunkered down in the cities and towns. The resisters, on the other hand, show a great deal of ingenuity in preparing their ambushes and placing their mines. They often dig out the roads below the asphalt. The tanks advance and are immediately literally engulfed. The crew has to get out to free the tank. It is at this very moment that the mujahedin attack. The Russians spray their own wounded with napalm when they cannot evacuate them.

The Afghans "hunt" especially at night, like wolves, hyenas, and snow leopards. Already the mountain tops are being covered with a dazzling white blanket. The cold is intense. The underground fighters of the Middle Ages, in a fairy decor, are giving a lesson in courage to the whole world. They have made their choice: "Better dead than red." While a long shiver passes through the whole country. "Allah akbar, Alllah akbar!" By killing Russians, by dying for their freedom, they go directly to paradise.¹

At a time when Reagan and Gorbachev are about to meet in Geneva to try to reactivate peaceful coexistence (which, according to Moscow, cannot exist without ideological struggle), an international commission for humanitarian inquiry concerning displaced people has revealed, in a report presented to the Commission on Human Rights, a series of atrocities committed by Soviet troops.

A Clandestine Mission

This commission, made up of Michael Barry, an observer from the International Federation on Human Rights, Dr. Johan Lagerfelt, a Swede, member of Doctors of the World, Pascal Maitre, our photographer, and Yvon Deleau, cameraman, carried out a 4-week secret mission in Afghanistan. On foot and horseback, this small group traversed mainly the Afghan provinces of Paktya, Wardak, Logar, and Ghazni. The commission was able to find out that the majority of the 26 districts visited were totally or partly emptied of their inhabitants. Some areas that were once densely inhabited now have only 40 percent of their population.

The Soviets, therefore, are systematically applying "scorched earth" tactics. Special units under the command of General Osmanov have carried out many massacres during vast combing operations last September and October.

Many civilians were killed. All their personal property, watches, radios, and money, were stolen. The communist troops, moreover, deliberately destroyed all stocks of food and wheat granaries. On 24 September near the village of Qalaye Wazir, Russian soldiers massacred a column of 70 unarmed refugees, made up exclusively of women, children, and old people trying to get to Pakistan.

The commission drew attention particularly to an incident that occurred on 4 October in the village of Beed-Moshk (Ghazni); the Soviets took away two children of 10 and 14 years of age. They demanded from the parents a ransom of 200 Afghanis (Fr 20) to set them free. The family of the oldest boy was not able to pay this amount. Mohammed Nabi was then tortured to death (he was

¹Cf. "Guerre en Afghanistan" (War in Afghanistan), by Patrice Franceschi. Edited by LA TABLE RONDE.

deprived of water, mutilated by kicking and bayonet thrusts, garroted, and finally executed with a burst from a kalashnikov). Other testimony was gathered concerning the massacre of several hundred civilians.

We are far from believing Kremlin propaganda which labels the resisters bloody barbarians who cut their prisoners to pieces, feudal reactionaries in the pay of foreigners, or highway robbers who terrorize the people. Reflecting this notion, one may recall Boris Ponomarev's justification of the invasion: "In responding to the request of the Afghan government, by giving assistance to this country which is the victim of aggression (what aggression?), the Soviet Union acted in full conformity with the UN charter" (sic).

Finally, the commission was able to observe a sharp drop in agricultural production in the provinces. So-called dry agriculture has stopped altogether. Irrigation agriculture has been reduced by at least 80 percent. As a matter of fact, the Russians burn the crops and make farming impossible by machine-gunning farmers in the fields. Furthermore, they systematically bomb all irrigation canals. Under these conditions, the lack of fodder has forced farmers to kill off most of their livestock, at least what was left after the machine-gunning by air.

Gorbachev ordered his generals to launch a massive offensive in all the areas held by the resistance. In the Wakhan corridor (annexed by the USSR) which leads to China and where the Kirghiz population was deported, the Red Army has transplanted Turkmenian tribes. Two Soviet divisions are concentrated in this sector along the Chinese border. It was from there, among other places, that convoys of weapons on the backs of mules arrived, meant for the Afghan resisters.

On the economic level, Aghanistan today depends on the USSR for more than 80 percent of its imports of machines and equipment as well as cotton for its factories, and oil. Four airports were built or enlarged to accomodate large military transporters and the Termez (USSR)-Kabul pipeline was completed. This provides proof that the invasion of the country was not a police operation to reestablish order among communist allies neighboring the USSR, but rather an attempt at total integration. It is an attempt that could be made quite calmly because the West went no further than making a few fine statements to condemn it.

This far-off war which concerns us all inasmuch as it provides an indication of the intentions of the Soviet Union, particularly to gain access to warm seas, also has the objectives of preparing for taking Iran in hand after the disappearance of Khomeyni and of putting pressure on Pakistan. In the meantime, "the northern invader" is systematically plundering all Afghanistan's mines, particularly its precious stone and uranium mines.

The Guerilla War "Concerns" the West

There is full proof that the West is not interested in this "country of savages," rather that the Afghan guerilla resistance, which will not give up, hinders their efforts to conciliate the Russians. That at least is what the West believes.

Where the Third World is concerned, although it is no longer possible to hide the fact that the USSR is indefatigably pursuing its imperialist offensive, no one has the courage to protest publicly. The Muslim countries, for their part, are timidly supporting their fellow believers. Only Sadat publicly financed the underground fighters. The latter today receive only skimpy aid from the Gulf countries and China. No doubt they are better armed, but above all they lack antiaircraft weapons to put a halt to the deadly attacks of the armored helicopters.

If the offensive by Gorbachev's troops continues, spreading terror among the civilian population, and if the resistance groups run out of the means to resist, then all Afghanistan would be emptied of its inhabitants and the country would become a new Soviet colony which Moscow could repopulate, as the Vietnamese are doing in Cambodia.

While this horrendous tragedy is being played out day after day without any capital expressing its indignation, we hear a communist leader on our state television giving lessons in morality on everything, deciding once for all what is good and what is bad, and making out they are the real democrats.

9824

CSO: 4619/11

AFGHANISTAN

BRIEFS

OPERATIONS AGAINST PEOPLE--On the eve of the seventh anniversary of the occupation of Afghanistan, Soviet and Afghan Government forces have escalated their bombardment and devastation of Afghan cities in order to terrify the Afghan Muslim people. As a result of these atrocious operations in Qandahar, 18 Muslims have been martyred. Meanwhile, 118 joint Soviet-DRA forces were killed or wounded during fierce clashes between the Muslim revolutionaries and the joint forces in the last 2 weeks. Two trucks, seven military vehicles, and four cars belonging to the joint forces also were destroyed. The Voice and Vision Central News Unit has reported a statement made by a Muslim revolutionary in which he said that the invading forces have established several checkpoints on the outskirts of Herat and destroyed and burned 8 percent of the farm land in Herat in order to exert pressure on the Afghan Muslim people and starve them. Another Afghan revolutionary said that extensive operations will be launched against the invading forces in the next few days. He added that a political solution can only be achieved in one way--the unconditional withdrawal of occupation forces from Afghanistan. /Text/ /Tehran International Service in Arabic 0700 GMT 22 Dec 85 GF/ 12228

CSO: 4604/17

BANGLADESH

AMBASSADOR TO UN TELLS STAND ON KAMPUCHEA

Dhaka THE BANGLADESH TIMES in English 7 Nov 85 p 1

[Text] Bangladesh has called for withdrawal of foreign forces from Kampuchea to enable Kampucheans to exercise their inalienable right to choose freely their own form of political, social and economic systems without any outside interference and intervention an official press release said on Wednesday, reports BSS.

According to the press release Ambassador Kbwaja Wasiuddin Permanent Representative of Bangladesh to the United Nations, reiterated the Bangladesh position in a statement he made at the UN General Assembly debate on the Kampuchea situation on Tuesday.

They expressed grave concern at the prevailing situations in Kampuchea and its serious implications on peace and stability of the surrounding region and underscored the urgency of adopting concrete measures to initiate a process of negotiation for a comprehensive political settlement of the problem.

Rejecting attempts to justify such armed intervention or interference in Kampuchea in clear and categorical terms, Ambassador Wasiuddin said, threat or use of force, armed intervention and interference by one state in the internal affairs of another constituted a direct contravention of the principles of the UN Charter.

Bangladesh believes, he said, that peace and confidence in the region could only be restored if all parties to the conflict adhered to the principles of international law concerning friendly relations and cooperation amongst states, particularly the principle of the right of peoples to choose freely their own forms of political, social and economic systems.

/9274

CSO: 4600/1202

BANGLADESH

DETAILS OF TRADE TALKS WITH PAKISTAN GIVEN

Dhaka THE BANGLADESH TIMES in English 6 Nov 85 pp 1, 8

[Text] Bangladesh and Pakistan have agreed to conclude a special trading arrangement (STA) within the next two months, envisaging an annual turnover of U.S. dollar 40 million each way, reports BSS.

The STA will be conducted through the State Trading Corporations of the two countries in addition to the existing usual and private sector bilateral trade transactions.

An agreed minute to this end was signed here today at the end of the four-day fifth meeting of the Bangladesh-Pakistan Joint Committee on Trade.

Bangladesh Commerce Secretary A. B. M. Ghulam Mostafa and his Pakistani counterpart Mukhtar Masood signed the agreed minute on behalf of their respective governments.

The two sides during their talks also agreed to evolve a "long-term arrangement" for exchange of certain commodities to further expand and diversify bilateral trade.

During the talks which began last Saturday, both sides agreed to make concerted efforts for increased exchange of value-added items and stressed the need for further diversification of bilateral trade.

Exchange of frequent visits of trade delegations, both at official and private sector level, exchange of trade information between the two countries were also emphasised for expansion and diversification of trade.

The Pakistani delegation expressed its keen interest in importing from Bangladesh tea, jute and jute goods, jute carpet, jute batching oil, jute mills, spares, betel leaf, bamboo, newsprint paper and paper products, hardboards, particle boards, sanitary wares, insulators, spices, G.I. pipes, super enamelled cooper ware, telecommunication equipment, fresh fruits silk fabrics and handicrafts.

Bangladesh has shown interest to import from Pakistan such items like cotton, cotton yarn, thread, fabrics, rice, medicine, spices, pharmaceuticals, urea,

pig iron, hard coke, dyes and chemicals sports goods, surgical instruments, dolomite, China clay amonium sulphate, railway coaches and spares, transport and transport equipment, grench fruits, woolen carpets, machinery and light engineering goods.

After signing the agreed minute, the leader of the Pakistani delegation, Mr Mukhtar Masood told reporters that the proposed special trading arrangement (STA) would add a "new dimension and new elements towards increasing the volume of trade and consolidating economic relations between the two countries."

"The new measures will ensure sizeable increase of trade volume between us on a balanced basis," he said.

Commerce Secretary, Mr A. B. M. Ghulam Mostafa said the new measures would go a long way in further consolidating and strengthening the trade relations between the two countries.

/9274

CSO: 4600/1201

BANGLADESH

TRADE IMBALANCES WITH REGIONAL COUNTRIES NOTED

Dhaka THE BANGLADESH OBSERVER in English 3 Nov 85 p 5

[Editorial]

[Text]

The summit meeting of the SARC heads of state is going to be held in Dhaka next month. SARC, which stands for South Asian Regional Cooperation, has already been viewed by political observers as an organization for political cooperation. But any such regional organization, if it is to be effective as well as long-lasting, has to be a platform for economic cooperation as well. South East Asia Treaty Organization (SEATO) in the fifties and Regional Cooperation for Development (RCD) in the sixties are prime examples in this respect. It is therefore important to explore the economic possibilities of SARC.

There is no denying the fact that the countries which constitute SARC are low-income economies compared to the developed world. They have low per capita income, they all are dependent on external assistance, and the poverty level is significant in all of these countries. But even among themselves, there are wide variations so that some of these countries can be termed as developing economies and the rest of them as least developed economies. Thus, countries like India, Pakistan and Sri Lanka have a per capita income more than \$300, whereas countries like Bangladesh, Bhutan, Nepal have a per capita income less than \$100. Between 1970 and 1982, Pakistan had a GDP growth rate of more than 5 per cent, whereas for Nepal, it was only 2.7 per cent. For India, Pakistan or Sri Lanka the industrial sector accounts for more than 25 per cent of their respective national income, whereas for countries like Bangladesh, Nepal, Bhutan or Maldives, it is less than 10 per cent. Thus there is a wide difference in the economic strength, economic structure and the level of economic development among the SARC members. Furthermore, among all the SARC members, India is in a unique position as a regional economic super-power. Any discussion of economic cooperation among the SARC members must start with these basic two facts.

Thus, apart from India, all other SARC members seem not to have significant potential for

providing economic aid in terms of money or commodities to their fellow members. In terms of assistance what the SARC members can easily share among themselves is technical knowledge and economic experience. Even in those areas contributions will not be equal. That leaves us with the area of regional trade where the possibilities of cooperation can be explored. In the area of trade also, inequality exists among the SARC members. Thus in 1982, where the exports from India, Pakistan and Sri Lanka were worth of \$8446 million, \$2403 million and \$1,015 million respectively, the exports from Bangladesh were only \$769 million and those from Nepal were only \$46 million. Between 1970 and 1982, whereas our export sector registered a negative growth rate of -0.8 per cent, the export sector of both India and Pakistan underwent an annual growth rate of 4.7 per cent each. Under such circumstances the creation of a situation conducive to balanced trade among the SARC members does not seem to be easy.

As an active member of SARC, Bangladesh must find ways as to how it can contribute more to, and at the same time get more benefit from, the economic cooperation under the auspices of SARC. In terms of trade, we have a trade imbalance with the relatively economically stronger members of SARC. Thus in 1981-82, we exported Tk. 94.7 million worth of goods to India, but we imported goods worth of Tk. 1578 million. With Pakistan, the figures are Tk. 1083 million and Tk. 1316 million respectively. During the same year, we exported goods worth Tk. 20 million to Sri Lanka, but our imports from that country were Tk. 132 million. Even with Nepal, a relatively weaker, economically speaking, member of SARC, we maintained a trade imbalance, our exports to it in 1981-82 were Tk. 4 million whereas our imports were Tk. 60 million. Our trade with Bhutan and Maldives are still more insignificant.

Under such circumstances it is essential to improve our export performance to the other fellow SARC members. Trade imbalance with India must be reduced by exporting more goods to India, e.g. raw jute, leather products, hides and skin etc. By exporting more tea, betel nut and betel leaf, for which a market already exists in Pakistan, our trade with Pakistan can be improved. We must concentrate on non-traditional items and diversify our exports so that we can increasingly meet the demands of Sri Lanka, Nepalese, Bhutanese or Maldivian markets. In this regard the SARC members must remove all the unnecessary trade barriers so that regional trade can really be effective.

The future of SARC as an organization of regional co-operation will very much depend on whether it can evolve as an organization of economic co-operation. Its political aspect may be alright, but the main issue may be its viability as an economic organization. It is yet to be seen how the SARC members rise to that task.

BANGLADESH

TREND TOWARD MERGER NOTED IN LEFTIST GROUPS

Dhaka HOLIDAY in English 25 Oct 85 pp 1, 8

[Article by Amanullah Kabir]

[Text.]

The left political parties of Bangladesh, which were plagued with one split after another in the past have of late set a trend of unity and six parties and factions, have already announced their merger into three different parties rinking their long standing differences. And some more Left parties are also likely to join the unity process within a couple of months.

It may be mentioned here that bine Left political parties have for long been maintaining close cooperation among themselves in an effort to take united stand on different political issues and programmes. This number has been reduced following merger of several parties recently.

Following the merger of the two factions of Samyabadi Dal led by Mohammad Toaha and Khondaker Ali Abbas, the Rashed Khan Menon faction of the Workers Party and Abul Bashar-led Majdoor Party announced their fusion into a single party under the banner of Bangladesher Workers Party (Workers Party of Bangladesh), and it was followed by merger of Biplobi Communist League and the Shah Alam Manik-faction of the Samya-

badi Dal into a new party named Bangladesher Communist League (Communist League of Bangladesh). The Workers Party faction led by Nazrul Islam has also decided to merge with Bangladesher Communist League through a unity congress of the two parties very soon. In the process of unity each of the political parties or factions made fresh evaluation of the national and international situation in an effort to reach broad understanding among themselves.

At a press conference following the unity congress of Biplobi Communist League and the Shah Alam Manik faction of the Samyabadi Dal, a leader of the Communist League refused to call the Soviet Union a social imperialist country and in reply to a question he said, "The Soviet action in Afghanistan is unjustified" He did not use the term "aggression" with reference to Soviet military presence in Afghanistan. This was a clear Departure from their earlier analysis of the Soviet Union.

GREATER NAP ?

The long unification process of the NAP

(Muzaffar), NAP (Harun) and Ekota Party may finally result in a merger of them into one party under the banner of National Awami Party. The reason for unusual delay in unification of the three factions is differences over the structure of unified leadership, organisational shape and functioning of the new party. The faction led by Professor Muzaffar Ahmed had raised certain questions which hindered the unity process.

The last council meeting of the NAP faction led by Professor Muzaffar Ahmed ended without taking any resolution on the proposed unification. The council meeting rather adopted a resolution calling for strengthening the party organisation and gearing up its activities obviously opposing its fusion into the proposed unified one party. This stand of Muzaffar Ahmed threatened the unity of the party. Pir Habibur Rahman, General Secretary of Professor Muzaffar-led faction of NAP issued a statement recently under scoring the need for unity of the like-minded parties and people into a radical democratic party indicating the differences which developed within the party on the question of unification. The next day he issued another statement

saying that he did not issue any statement to the press, rather he sent an article expressing his individual opinion on the need of unity and formation of a single radical democratic party.

It is learnt that Pir Habib was forced to contradict his own statement only to facilitate holding of council meeting of the party. A leader of NAP, when contacted, expressed optimism about the merger process and said that the proposed radical democratic party would be given a concrete shape at the earliest possible time. He further said that leaders and workers of all the three parties felt that the process of unification should be expedited in the present context of political situation in the country.

It may be mentioned that the two factions of NAP initiated the unification process about three years back through resolution in their respective party council meetings and later Ekota Party also took a similar resolution. A leader of the unity move, however, said that although differences on some political questions still persist, the consensus among the members and leaders suggest that they keenly desire the merger into a single entity burying minor differences.

/9274

CSO: 4600/1194

BANGLADESH

COMMUNIST PARTY GENERAL SECRETARY MEETS PRESS

Dhaka THE NEW NATION in English 3 Nov 85 pp 1, 8

[Text]

The General Secretary of the Communist Party of Bangladesh Mohammad Farhad has announced a programme to observe Protest Day on November 18, against the denationalisation of the large industries and the big commercial establishments, reports ENA.

Addressing a press conference at the central office of the party in the city yesterday, he said denationalisation was totally contradictory to the spirit and the objectives of the liberation movement.

The capacity utilisation of big industries and factories decreased by about 50 per cent following return of those to the private sector, Mohammad Farhad alleged. He described the official arguments in favour of denationalisation as baseless.

Explaining his party's principles and objectives, the CPB General Secretary opposed the denationalisation of jute mills,

textile mills, banks and insurance companies.

In a written speech Mohammad Farhad said that the Communist Party was not against the small and medium industries in private sector.

The public sector and the private sector will work side by side, he added.

Expressing concern over other economic measures taken by the government, the C.P.B. leader accused vested interests of trying to reintroduce Pakistani pattern of economy in Bangladesh.

To accelerate the process of transition to democracy from martial law, the C.P.B. leader reiterated his party's stand on holding free and fair elections to the sovereign parliament on the basis of 5-point demand.

When his attention was drawn to an observation made by President Ershad about Jamaat-e-Islami at an exclusive press interview in London recently, the leader of the Communist Party of Bangladesh said that people's mandate was final in resolving any issue.

/9274

CSO: 4600/1199

BANGLADESH

NEGOTIATIONS BETWEEN DHAKA, CHITTAGONG TRIBALS REPORTED

Dhaka HOLIDAY in English 25 Oct 85 p 1

[Article by Ataus Samad]

[Text]

Last Monday, October 21, 1985, became a milestone in the history of the tribal insurgency in the Chittagong Hill Tracts area because on that day the Bangladesh government and the main political group of the faction-ridden Chakma insurgents met officially for the first time to seek a settlement of the rebellion.

The talks, we understand, have been adjourned so that the delegations of the two sides can report to their principals. Neither the venue nor any detail about the talks have been disclosed. The government only said that there would be a five-member delegation from its side and a four-member team from the side of the Jana Sanghati Samity.

The government, through a brief Radio Bangladesh news item, showed its goodwill toward the insurgent group by describing it as the "Chittagong Hill Tracts Jana Sanghati Samity led by Mr. Jyotirindra Bodhipriya Larma." Jyotirindra Bodhipriya Larma is better known as Shantu Larma and he is the younger brother of the assassinated rebel leader Manabendra Narayan Larma. Jana Sanghati Samity is the political organisation of which the Shanti Bahini is the military wing.

The Larma group, as reason tells, is talking with the government not from a position of strength. A murderous in-fighting between them and the group led by Pritikumar Chakma has weakened both. Pritikumar Chakma's own strength has been decimated by the return to normal life by 223 of his men last April. That group laid down arms on the basis of an agreement with the government. On their part they said that they were surrendering arms for the sake of peace and development of the Chittagong Hill Tracts. On the part of the government it said that it would stop its policy of settling plane's people in the Hill Tracts, without prejudicing the right of private citizens to go to the Hill Tracts and settling there as one can do in any place of Bangladesh, and that it would pursue a vigorous policy of developing the Hill Tracts. Possibly, this weakening of Pritikumar Chakma has not added much to the strength of Shantu Larma, as some of his supporters had thought. Meanwhile, a liaison committee of tribal leaders opened talks with Shantu Larma for a peaceful and negotiated settlement with

the government. The peace committee is led by Upendralal Chakma, former Adviser to Chief Martial Law Administrator and President, Lt. General Ershad. This initiative led to the talks.

GENERAL AMNESTY

It may be also recalled here that by last April about 3000 members and supporters of the Shanti Bahini had surrendered under the general amnesty offered by the government.

The situation, viewed from different angles, is ripe for peace. The government has shown its willingness for a negotiated settlement of the problems of the Chittagong Hill Tracts and is now putting more emphasis on the development of the area. The rebels, after years of insurgency, have not been able to make any military gain. Many of them have already

made their peace. Therefore, those who still remain in the jungles, will not lose face if they follow suit.

Meanwhile, successive governments have learnt that insurgencies in difficult terrains can cost them and worry them a great deal. Therefore, once the rebels have been brought to a reasonable frame of mind, it is better to address the root causes of such insurgencies.

In the case of the Chittagong Hill Tracts the basic issue is one of protecting the interests of ethnic minorities, especially of their culture and life-style. This is a problem majority groups in many countries have had to face and they have in most cases behaved badly. Bangladesh can take the lesson from others and act in better ways than many other nations which claim to be more civilised.

/9274

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INDIA

SIKH LEADER ON 'KHALISTAN' RECOGNITION, SIKH 'HIT LIST'

Rawalpindi HURMAT in Urdu 5-12 Oct 85 pp 7-13

[Interview with Jagjit Singh Chauhan, exiled Sikh leader and self-styled president of 'Khalistan,' in London by HURMAT editor, Zahid Malik: "A Bullet-Proof Jacket Can Protect One From a Gunshot, But Not From the Wrath of God"; date not specified]

[Text] [Question] At what stage is the movement for the establishment of Khalistan?

[Answer] Malik Sahib, at present, our movement is at a considerably advanced stage. The Sikhs all over the world are organizing themselves to personally support this movement, while we, sitting in this Khalistan house, do the job of establishing contacts among all those organizations. We have established our contact with the movement in India as well, and more or less 90 percent of the Sikhs there support this movement. I can say with confidence that the movement is gaining strength and spreading.

[Question] In your opinion, with the murder of Sardar Longowal, has the movement for the establishment of Khalistan or the movement within India condemning that act gained any strength or suffered a loss?

[Answer] Actually, during the past 200 years' history of the Sikhs, our people have never punished the traitors. The traitors have always been safe from the punishment and the rage and fury of the people. This is the first incidence in our history of measures for punishment having been initiated. Someone has taken this action to punish Longowal for his treachery. In other words, so much consciousness and anger has been aroused among the Sikhs. This is a very significant factor. Ordinarily, perhaps, people would not notice it or would not fully understand its importance. Perhaps you might recollect that in 1920, one Hindu monk named Narain Das burned 200 Sikhs alive in Nankana Sahib. This happened when the Gurdoarah movement for freedom was in full swing, and the largest public murder in Nankanah Sahib was of the Sikhs. The British carried out this tyranny with the collaboration of the Hindu monk. Last year, Narain Das met his natural death in the district of Jalandher. He lived for a long time, but no Sikh ever realized that he murdered 200 Sikhs, therefore he should be avenged. It is for the first time, however, that the Sikhs have rejected a traitorous Sikh leader, and

they have punished him duly. On this basis, therefore, I perceive it as an encouraging sign. The process has now begun. Our movement is already very strong. This is a defeat alone for the traitors who are cooperating with the Indian government.

[Question] Some Indian newspaper has written that the conspiracy to murder Longowal was planned under your supervision in London.

[Answer] They always levy such accusations. Last year also, I explained to you my stand. I am a very old and peaceful person. Neither do I possess that zeal of youth, nor do I believe in the politics of violence. I do not feel that with the death of one or two individuals, the course of politics would alter. In order to turn the direction of politics, it is essential to activate public opinion and the press by presenting one's own viewpoint. It is essential to do this repeatedly and through an effective method. The aim of such accusations is to put pressure on the government of London to impose restrictions on the exiled leadership here, or to have it expelled from here. Therefore, whenever something happens, they always say that it is directed from London. At first, at the time of Indira Gandhi's murder also, it was said that I was behind all that.

[Question] You did, however, tell me that she would not witness the sun of 1985, and your prophecy did come true.

[Answer] I say this even now that these traitorous Akali leaders, whom you are talking about, will not be spared by the Sikhs. I do not claim to be a saint, but this is my estimation through the study of history and current affairs.

[Question] I read in a newspaper that the Indian government has decided to distribute arms among the employees of the Congress (I), so that, besides the army and the police, they, too, can participate in fighting against the Sikhs when the need arises.

[Answer] Not only Congress (I), but also the Hindus of Jin Singh, rather all Hindus in Punjab are being provided, on a large scale, with arms and licenses for arms, whereas, the weapons legally owned by the Sikhs are being seized from them, and their licenses are being revoked. For this reason, therefore, the intentions of the Hindu rulers are quite clear to us. We have no misunderstanding in this regard. However, their weapons cannot inflict any harm upon us. We have confidence in ourselves. The Hindus populate the cities, while the Sikhs populate the villages. For this reason, therefore, they cannot cause us any harm. At the most, they can defend themselves in the cities. Anyway, the Indian government is pursuing this policy. Your information is correct.

[Question] Recently, it was also published that the Sikh leadership has said that whoever participates in the elections will be a traitor of the Sikh nation. What is your view in this regard?

[Answer] I feel that whatever compromise is made, it is a betrayal and treachery with the Sikhs. This is not the first such incident. You can review the history. During the movement of 1920, and in 1948, the Sikhs suffered a defeat due to the frauds of the traitors. In 1920, when the Sikhs were fighting for the freedom of their gurdwaras [temples], the barrister type of Sikh leaders, after making an alliance with the British, also formed a gurdwara committee. They declared that the Sikhs and the Akali Dal would restrict themselves to religious affairs only and would not participate in politics. All this was a deception with the Sikhs. That is why, in 1947, when Quaid-e Azam offered a proposal to the Sikhs, it was rejected. If analyzed deeply, the same leadership was working behind it, a leadership encircled by the Hindus or which was infiltrated into the Sikh organizations for this purpose. This pro-Hindu leadership did not allow for a compromise. After independence, during the rule of the Congress also, the Sikh leadership has always betrayed its own nation to strengthen the hands of the Hindu rulers. Even now, these leaders thought the same thing. But they did not perceive the demands of the time. They thought that, even now, they could continue to proclaim by the beat of the drum that they were victorious. This time, even the young and wise sector is fully prepared, and it is ready for the fact that after such a big struggle, they will definitely achieve something, and that they will not be allured as in the past.

[Question] What is your view of the Akali Dal's success in the East Punjab?

[Answer] I feel that this has now exposed India's prodemocratic claim to the world. By rejecting the Congress, the Sikhs have proved that they cannot be deceived any longer. In other words, they have refused to accept the domination and superiority of the Hindus. This sensation is the closest to our cause and objective. I would also point out another factor here. The reason why 60 percent of the votes, as they claim, were cast in the elections was that 100,000 semimilitary detachments and police staff were stationed in the province to check the disruptionists and the rioters. You, yourself, can guess what will happen when this detachment of 100,000 personnel is recalled.

[Question] What benefit will your movement gain from this?

[Answer] I would like to point out one thing specifically that there are ups and downs in the struggle for freedom. A great many tricks and tactics are utilized to defeat the enemy and the adversary. After all, the Akali Dal, too, are Sikhs. These people also would have definitely not forgotten the cruelty and the excessiveness the Hindus inflicted upon the Sikh women in Darbar Sahib.

[Question] Should the Akali Dal's success be regarded as a part of one of your strategies?

[Answer] I think that I have already made my meaning clear. Now the time alone will prove what is the real truth. Anyone of the actions could be included in our strategy.

[Question] Sardar Sahib, in your opinion, at this stage, can't the Indian president, Sardar Zail Singh play a significant role and do something to end the dispute between the Hindus and the Sikhs?

[Answer] Right now, there is not a single modest soul left among the Sikhs serving in the Congress. They are submerged in a sort of mental slavery. If he had any modesty, he would have resigned on the same day Darbar Sahib was attacked, or he would have quit the presidency the day the Sikhs were publicly murdered in Delhi. He is, therefore, a captive and prisoner of his misconduct. According to my information, he has been kept isolated. He cannot talk to anyone. All the Sikhs of his guard have been changed. Even the two or three Sikh advisors he had on his staff have been removed. In a way, he is a prisoner inside red-stone walls. The poor person's conscience was already weak. Whatever conscience is left in him now, that, too, has been destroyed by the constraint of the time. If he wishes to say something, he cannot utter it.

[Question] It is said that the Sikhs have made a hit list. According to your information, who are the people included in it?

[Answer] I can only say this much, that all those people who committed sins and participated in the tyranny will be revenged by the Sikhs.

With regard to the question as to who is included in the list, I will give you two books, which are based on the investigations of the human rights organization there. Just leave aside my point. You already know about the culture of Punjab. If the court ever sets any murderer free with the aid of some technical subtlety, then, after his release, as long as he is not murdered as a revenge, people do not eat the bread of his house. They do not understand this psychological point. Therefore, people will not rest until they have taken revenge. Whether the oppressor is Rajiv Gandhi or someone else, he will be definitely punished. It is my prediction that 1986 will be the last year of Rajiv's life. I don't say that I will do something against him. As I have already mentioned before, I do not believe in violence. Otherwise, also, I am an old man. Moreover, violence only begets violence. I am saying this after studying the circumstances. It is my guess that the Sikhs will take revenge for the public murder at Delhi. The Sikhs are a nation with a keen sense of honor.

[Question] Just today, news has been published that India has closed its borders with Pakistan, and that they have accused Pakistan of assisting in the disruptive activities.

[Answer] Malik Sahib, the truth is that India has never accepted the existence of Pakistan. They believe that they will once again make it a part of India. They also think that they will convert all minorities of India into Hindus, and thus fulfill their dream of a Hindu India. But, I feel that the thinkers of India are residing in a heaven of fools. It's most unfortunate that they are uselessly promoting tension and commotion in the entire region; though India is three times more powerful than Pakistan. It has so many extensive means and resources. It produces all the weapons.

Besides, they are purchasing highly sophisticated weapons from America, the Soviet Union, England, France, and all other countries. However, they simply make a big hue and cry of sometimes accusing Pakistan of assisting the Sikhs and, at other times, accusing her of producing an atom bomb. Pakistan and India can really be compared with a wolf and a cub. The wolf (India) wishes to make the cub (Pakistan) its morsel. The wolf says, "Two months ago, you abused me." The cub says, "Well, sir, I am just 1.5 years old." The wolf says, "Then it must be your father." This is exactly how India is, that, somehow, it makes one excuse or another to blame Pakistan. First, it invaded the Golden Temple claiming that Sant Gernail Singh had made it a center of disruptive activities. Now, for some days, it has come up with a new notion that Pakistan is engaged in all this mischief by wearing longer beards and hair on the head. In other words, such absurd and silly things are being invented just to mislead world opinion against Pakistan and to arouse a feeling of revenge among the Indians against Pakistan. Its greatest objective is to weaken the Sikh movement. They wish to give the impression, however, that the Sikhs are already with them, that everything is peaceful and quiet, except for mischief by Pakistan. Therefore, with one excuse or the other, they are moving the military to the border. Previously, always paramilitary forces alone were assigned to the borders. Have you ever seen military on the entire border? Today, from Jammu to Gujrat, there is all military.

[Question] What is the reason for that?

[Answer] I have already stated the reason that they have bad intentions. They are merely making the excuse that they are sealing the borders. But, in fact, this action is a part of the preparations to attack Pakistan. It is a part of the anti-Pakistan intentions of the Indian government. If the leaders of Pakistan fail to apprehend the delicacy of the time and do not react with guts and courage, its consequences will be highly erroneous. I feel that it is a very appropriate time now that Pakistan should specifically announce its unity with the Sikhs, because Islam and Sikhism are very close religions. Both should establish an alliance in this region, and they should promote it further. Just as the Muslim leaders are about to meet with Pope Paul, which is a very good and pious step. All people having belief in one God should be united. For this purpose, therefore, the religious and political leaders of Pakistan should come forward and take the first initiative, and in order to achieve this end, the present appropriate time should not be wasted.

[Question] I have heard from a most reliable personality here in London that India has contacted you saying that if the Sikhs cooperate with it to destroy Pakistan's Kahuta atomic plant, the Indians are prepared for a mutual understanding with you. How much truth is there in this news?

[Answer] No Hindu has come to me. However, a white man sent by them did come here. He did not even identify himself to me, but he did say the very same thing you are telling me. He proposed that if we give them our men for the Sikh commando action and cooperate with them, our affairs with India can be rectified. He also claimed that he was saying that upon the suggestion

of very reliable and authorized people. It is clear now that India is totally serious about its intentions regarding the atomic center of Pakistan.

[Question] So you do possess such information whereby India intends to demolish Pakistan's atomic centers.

[Answer] It's not a matter of information now. India's intentions are fully unveiled now. Also the facts about its cooperation with Israel regarding this issue have already been leaked out now. India wishes to accomplish two goals through this action. One is to destroy Pakistan, and the other is to annihilate the Sikhs. Furthermore, it will also attain the objective of diverting the attention of its people from its internal problems. I feel that, right now, Rajiv Gandhi will leave no stone unturned to strengthen his leadership. Currently, India, Afghanistan, and the Soviet Union are fully united. This emissary of the Hindus also said that, at present, it is easier to launch this attack from Afghanistan. He also said that if men are sent into Pakistan from the other border, it will be easier to accomplish this task. He said many other things. In my opinion, efforts are being made to destroy Kahuta from all four sides, whether this attack is launched from Afghanistan or through the air.

[Question] How do you view the Indian leadership's policy regarding the Afghanistan issue? Today, not only is the Soviet Union's entry into Afghanistan not restricted to trade, but its global policy is also successful and its feet are firmly established in the subcontinent. Also, right now, Pakistan alone is somewhat hindering its path, and India's intentions also are against Pakistan. Therefore, if it firmly establishes itself in the third country, Afghanistan, and then proceeds toward Pakistan, it can possibly move forward toward Delhi also. Why doesn't the Indian leadership understand this situation?

[Answer] The Soviet Union's real target is not Pakistan but India alone. The only solution to the Soviet Union's nutrition and wheat problems is for it to occupy the subcontinent, both India and Pakistan. In this way, its access to the rest of the world by sea will be secure. If the Soviet Union controls both Pakistan and India--and in fact, at present, in India it enjoys all the facilities of an occupying military and Pakistan is the only obstacle--this issue of wheat alone can be addressed to someone else also. It is a very simple fact. There is no entanglement in it.

[Question] Doctor Sahib, so far, has any international agency or country recognized the government of Khalistan?

[Answer] So far, no one has recognized us. However, there are enough possibilities for the Sikhs in Ecuador and South America; although India has tried to create considerable tumult in South America and Ecuador through a group of neutral countries. In Ecuador, they have already established their embassy. The president of Ecuador came here, and even now, our delegation is there. Besides getting recognition, we are trying to settle the Sikhs in many countries in the field of agriculture and trade. We have very bright opportunities in that respect. I cannot go into more

details about this, but you will soon hear some news. Right now, we are paying more attention to Brazil and Ecuador. As far as recognizing Khalistan is concerned, in my opinion, the first country to recognize us, or that should do so, should be Pakistan, because this is a natural alliance, both long term and short term. It is already overdue. Just as India was the first one to recognize the exiled government of Bangladesh--although the exiled government was sitting in a hotel room in Calcutta--and India not only assisted it but sent its forces also, I feel very strongly that the time has come now that Pakistan should demonstrate courage and recognize Khalistan. The result of this will be that the remaining Muslim countries will follow Pakistan. They will listen to Pakistan. This is the very reason that, compared to the rest of the world, we have more hopes from our neighboring Pakistan, with whom we are closer on both cultural and religious bases. Once Pakistan recognizes us, the door will be open. Anyhow, we are establishing commercial and agricultural relations wherever we get the opportunity. Ecuador is the only country that has expressed some sympathy toward us.

[Question] As far as Pakistan's policy is concerned, we do not believe in interfering in the internal affairs of other countries. Secondly, if Pakistan recognizes you, India will get the justification of taking action against Pakistan. This measure will prove fatal for the movement of the Sikhs also, because, even now, they say that the people of Khalistan are traitors of the country. With Pakistan supporting you, their claim will prove to be true.

[Answer] No, it is not so. That, too, was a phase. In my opinion, Pakistan demonstrated great forbearance. Despite every kind of instigation and accusation, Pakistan has not granted any sort of assistance to the Sikhs. It has fully honored the international law and values. Despite this, however, you see that all kinds of accusations are being levied against Pakistan. The truth of the matter is that the aggressive policy of India has just begun. Naturally, you will have to retaliate. If you do not react aptly, everyone should be prepared to bear the consequences.

[Question] Rajiv Gandhi has started addressing the public while standing in a bullet-proof box. In your opinion, who is he afraid of?

[Answer] Really, he is frightened of the Sikhs only, but he has come up with another pretext today, that the Pakistanis are appearing with longer beards. I feel that this is actually his internal fear; just as a person's sin threatens him from inside. This is because he ordered the public murder of thousands of innocent people. As long as he is not granted atonement, forgiveness, and punishment for his crimes, the Sikhs will not leave him alone. I am not afraid to say this. The Sikhs have always taken their revenge in history. It is a different matter that acting upon this measure takes time. How much more cruelty there will be is unknown. There is not a single home in which one individual or another has not gone to jail. No young man can roam about in the shopping center. No one can ride a motorcycle. One lawyer has written to me that a Sikh's case is discharged before we even open the book. When the judiciary becomes so corrupt, you can

imagine what the results compiled will be. The Sikhs will definitely fight for their rights. This is my own presumption. Please do remember also this statement of mine that Rajiv may wear as many bullet-proof jackets as he wants to; however, as long as he does not admit his sins and seek their forgiveness, these bullet-proof jackets and bullet-proof stages cannot protect him. God alone will punish him. What will he do in case of sickness or accident? A bullet-proof thing can only protect him from a shot. It cannot safeguard him from God's wrath. When human justice fails, Divine justice replaces it.

[Question] India's relations with all its neighboring countries are like the relations of a superpower with smaller countries. Don't you feel that, due to this, India's relations with its neighboring countries are deteriorating?

[Answer] Exactly so. I have received information from Bangladesh from very reliable sources that now India is offended with General Irshad also. This is because of the issue of the Ganges waters, the issue of the refugees, and putting barbed wire on the borders. You may have read that, perhaps for this very reason, huge quantities of weapons have been found in colleges and universities. The question is: Where did these weapons come from? India is sending these weapons there under organized planning. According to my information, now, India will very soon intervene there. Political elements with views similar to India's and the Soviet Union's will be used for this purpose. The major cause of this is that General Irshad has appointed some persons to the cabinet who are well known for taking care of their own comfort. Right now, nearly 1,000 men are being trained under the leadership of Qadir Siddiqi, and they are being armed. It is possible that India's regular forces, too, will accompany them. For this purpose, Hasina Wajid, Sheikh Majeed's daughter, is already smoothing out the climate. A lot of political unrest exists there, under whose pretext India will intervene militarily. It will raise a revolt against General Irshad. A similar situation exists with Nepal also. The headquarters of Nepal's opposition parties are formally established in Patna and Lakhnow. Nepal is also being threatened and frightened. Their attitude with Sri Lanka, too, is the same. Finally, Pakistan also will be treated in the same manner. Since Pakistan is more powerful than all the neighboring countries of India, I would advise Pakistan's politicians to unite all the smaller countries and form an organization of the smaller nations of South Asia. Pakistan should be its leader. This would be a magnanimous political feat. The Islamic world would gain strength from this, and the other minorities, too, would gain courage. This is a very appropriate time for this task, provided Pakistan demonstrates the courage to play an active role.

[Question] Recently, you forwarded a request to the Pakistani government to allow you to visit Nankana Sahib, but it was rejected. Do you still plan for a pilgrimage to Nankana Sahib?

[Answer] Malik Sahib! For the past 6 months, I have been very sick. Otherwise also, when a person is in trouble, according to the adage that a drowning man clutches at any straw, he cries before his Master. That is why I resolved during my illness that I would go to Nankana Sahib for a

pilgrimage and pay homage to the saints. Therefore, I have once again sent a request to the Pakistani Embassy that I should also be included among the pilgrims who go there on Guru Nanak's birthday, because, during those days, the visas are easily available. Those who go there have no other objective either. If I am granted permission during those days, I shall be relieved of the responsibility that I shoulder on behalf of Allah. I have a great desire for pilgrimage. Now the choice rests with the Pakistani government, whether to grant me the permission or not.

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INDIA

BAJAJ ON FAILURE OF IMPORTED TECHNOLOGY TO END ILLITERACY

New Delhi JANSATTA in Hindi 6 Nov 85 p 4

[Article by Jitendra Bajaj]

[Text] Let us begin with the condition of school education. According to an official document, 70 percent to 75 percent of the children of school age now are admitted to school. Most of them, however, do not stay in school for long. Out of 100 children admitted into first grade, on the average, only 38 reach fifth grade, and by the eighth grade only 23 are left. If fifth grade is considered the level of learning, then according to the statistics, we are imparting education to less than one-third of our new citizens. Only 36 percent of the country's population is being educated. We have not been able to maintain even this level of education among our children.

There is something causing more concern. That is that expansion of education has stopped at all levels. In the fifties and sixties there was significant expansion in education. In these two decades, education expanded at the rate of 6.2 percent and 5 percent per year, respectively. Even this increase was not big enough to realize dreams of universal education. In the seventies this rate dropped to 2.5 percent a year. This is less than the rate of increase in the population of school-age children. There was no significant increase in the percentage of students in school up to fifth or eighth grade. There has been a substantial drop in the rate of increase of middle, intermediate, and advanced and technical education in the seventies.

It appears that there is no room for more educated people in the nation's economy. Between 1961 and 1981, the rate of increase of unemployment was higher among educated people than among uneducated people. Not only this, but the higher the level of education, the higher the rate of increase of unemployment in that group. According to statistics in the document, in 1956-57, the incidence of unemployment among graduates was lower than among matriculants. But since then, in all statistics the situation has been the opposite, and the rate of increase of unemployment among graduates has remained higher than among the matriculants.

These are the statistics. Now let us examine the qualitative level of education. There is no doubt that after independence many institutions of

higher and technical learning were created. Even in small cities one sees a large number of expensive and well-equipped schools. But there has been no improvement in the common advanced and technical education centers and the average schools. Perhaps all the money gets spent on the building and maintenance of special institutions and schools and nothing is left for average institutions and schools. According to the document, in many states, the entire budget of technical education under which several engineering colleges and polytechnics operate is less than the expenditure on a single IIT [Indian Institute of Technology]. The condition of average schools is such that over 90 percent of the expenditure goes to pay the salaries of teachers and staff. It is hardly surprising that most of the schools have neither their own buildings nor rest rooms and running water. In 35 percent of schools there is only one teacher who performs the herculean task of teaching four to five classes and many subjects. As many as 23 percent of teachers are not even matriculants, and 40 percent of schools have no blackboards.

In this document on new education, one can see perplexity as to ways to improve the situation. According to World Bank estimates, in the near future, out of all the illiterates in the age group 15-19, 55 percent will be in India. The government is worried if for no other reason than that this vast army of young unemployed should not hold back the bewildered masses from advancing toward the 21st century. The document clearly reveals this apprehension about the majority of young citizens. But the document offers no clear thinking on how to emerge from this state of illiteracy.

From the document it appears that government sees obstacles of all kinds in the way of expanding and reforming education. It lists several difficulties such as that "there is no tradition of education in the country," "students lack motivation," "means are not available to educate the growing population of this country," and that "on the subject of education, coordination between the center and states is difficult." Government can see only one ray of hope and that is that now the country has modern means of communication like television and that the West has discovered a new Aladdin's lamp called the computer. The document calls upon educationists to discover a practical way to ending this state of illiteracy. Voluntary agencies and village councils are also expected to do their bit in this direction. But based on its technical knowledge, the government has promised only two definite steps. A model school will be opened in each district and computers will be installed in 20,000 schools, to be selected. There is no blackboard; make do with a computer. Or build some advanced and well-equipped schools. This message from government to the country's two-thirds illiterate adolescents is like the advice of the French queen. (The queen said: If there is no bread, why not eat cakes?)

The practice of looking for solutions to the country's extensive problems in expensive imported technology and expansion of advanced facilities is nothing new in this country. Expansion of luxury goods and special facilities has always been done in the name of ameliorating the lot of the poor. In the field of education, Macaulay himself had determined that it is futile to try to educate Indian masses who are deprived of the knowledge of Western

civilization. All that can be done is to build a few advanced schools and institutions and acquaint a few with Western knowledge and English and to hope that the education of these few will gradually trickle down to the masses. That is why expensive schools and institutions have been built. Far from some knowledge trickling down to the masses, it has not even reached the average educational institutions. Those educated from these advanced schools and institutions as a rule do not go to teach in common schools and institutions. Nor do they have any interest in solving common problems. According to the government report, engineers educated in advanced institutions like IIT are more interested in the international technical market than in the country. Or they find a berth in the multinational research and commercial institutions and try to acquire for themselves the comforts of the international level.

Looking for solutions to the country's problems in modern imported technology may not be as old as Macaulay, but it is surely venerated. Only a few years ago television was being described as a wonderful instrument for spreading education. By importing machinery on a vast scale and by borrowing time on a foreign communication satellite, an experiment to impart education through television was launched with great enthusiasm. It appears as if television technology was bought solely for spreading education. In 10 years all equipment for television communication, including communication satellites, has been imported. Now 70 percent of the country is covered by television. But how much was the increase in education? Looking at the programs, it seems that by allowing access to drawing rooms of middle class families, multinational companies making powder and toothpaste have been provided with an effective weapon for promoting consumerism. One definite result of the programs presented by these companies and other entertainment programs on television is that children of even decent families have come to learn the language of sexual relationships. This is television's contribution to education. Now the talk of spreading education through television takes such low priority that in Andhra Pradesh a university has not been able to buy time on television for its educational programs. The report states that the facilities provided by television have been used for other purposes. If television is to be used for educational expansion, more channels will have to be added. Perhaps the practice of importing the latest television equipment on the pretext of spreading education is not yet dead.

Like television, other technologies are imported into the country for one use and end up by becoming a means of luxury and comfort. Here we do not have a tradition of asking how far the purpose for which a modern technology was imported has been fulfilled. A strange love and fear of new technology is prevalent here. Nowadays, even Gandhians describe themselves as supporters of modern technology, provided an adequately small and trouble-free version can be brought here. Recently, when the computer wave began, a prominent Gandhian thinker wrote that after reading Gandhi's literature he was convinced that in the village of Gandhi's dreams there were all kinds of modern machinery and even a small computer. In the future, we should not be surprised if a Gandhian expert discovers a small atom bomb in Gandhi's village. Modern Western technology has such an ascendancy over the Indian mind.

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27 January 1986

IRAN

RADIO COMMENTS ON SEIZURES OF VESSELS IN GULF

GF311710 Tehran International Service in Arabic 1430 GMT 31 Dec 85

[From the "Political Follow-ups" program]

[Excerpt] The Iranian navy has seized a Danish ship in the Gulf of Oman, which was carrying explosives destined for the ruling regime in Iraq, and forced it to dock at one of the ports of the Islamic Republic of Iran.

Since the beginning of the 'aflaqi aggression against our Muslim people, the heroic Islamic navy has closed Gulf waters to any Ba'thist move and completely demolished Ba'thist ports, to the point that the Baghdad rulers cannot export one barrel of oil through these waters or make use of the so-called Iraqi ports.

Although the Baghdad rulers have hastened to their allies, such as Jordan and other regimes, in order to make use of their ports and their land supply routes, they also have attempted, by various devious means, to make use of the region's waterways in order to continue their sinful aggression and to boost their military machine with spare parts and all that which increases their brutality in attacking our peaceful Muslim people, and to continue the aggression.

Hence, we used to find every other week a ship, with cargo destined for the Baghdad rulers, desiring to unload its cargo at one of the ports of a neighboring Gulf country adjacent to Iraq. Our Islamic forces have had no choice but to detain these ships and search them, and then confiscate any cargo which they were carrying for the Baghdad rulers, even though this came by a route through another country.

It has been clear throughout the 5-year war between our Muslim people and the infidel Ba'thists that international arrogance has spared no effort in extending all possible political, economic, and military support for Iraq's rulers so that they could continue their barbarous aggression against our Islamic revolution and destroy it.

In addition to the masters, there were some rulers who opened their ports and borders to the cargo meant for Iraq, such as military equipment which has contributed to the slaughter of more Muslims in the region.

Even the Zionists have participated in this. The Zionist entity accepted the mediation of the U.S. ambassador in Amman to prevent attacks on Iraqi planes which took refuge at the beginning of the war at the airports of the king of Jordan out of fear of the Islamic planes.

/12858

CSO: 4604/18

IRAN

NAVY CHIEF THREATENS TO 'ANNIHILATE' TRESPASSING VESSELS

Tehran ETTELA'AT in Persian 25 Nov 85 p 14

[Text] The Navy of the Islamic Republic of Iran, as a determining force in the area of the Persian Gulf and the Sea of Oman, continues to fulfill its critical responsibility of guarding the waters of our Islamic nation.

During the past five years of their proud struggle against the aggressor enemy, the naval units have added noble pages of epic proportions to the history of the revolution and the imposed war. In this regard, 7 Azar 1359 [28 Nov 1980] was the beginning of the navy personnel's victorious operations. On that memorable day Iran's naval units carried out Operation Morvarid, and, while destroying the Al-Bakr oil terminal, sent several enemy warships and aircraft to the bottom of the sea.

This epic and victorious procession of events, which began with Operation Morvarid, has continued through five years of combat with the foreign enemy. Now, zealous naval personnel, while maintaining the necessary preparedness, are preparing themselves for combat with the imperialist powers. The Navy of the Islamic Republic of Iran has a sensitive and important role to play in carrying out the Islamic Republic of Iran's recent move to stop ships bound for Iraq with suspicious cargos. On this basis, the alert personnel of this force, as they maintain an around-the-clock watch over ships coming into the Persian Gulf and the Sea of Oman through the Strait of Hormoz, are inspecting and questioning suspicious ships.

In implementing this move, so far more than 400 ships have been questioned and tens of others have been inspected by the brave Iranian forces.

Our country's naval warships, in view of the desperate efforts of the world powers to establish a naval presence in the Indian Ocean and the Sea of Oman, have taken vigorous security measures, and, maintaining a full watch over these warships, have maintained their readiness to meet the probable threats from them.

On the eve of the sixth anniversary of the proud events of Operation Morvarid, which were the beginning of subsequent victorious naval operations, we interviewed Captain Mohammad Hoseyn Malekzadegan, Commander of the Navy of the Islamic Republic of Iran.

In this interview, the Commander of the Navy discussed the navy's activities to combat potential threats and plots from world imperialism and answered questions from our correspondent concerning the results of naval maneuvers in Bandar 'Abbas, the purchase of foreign equipment,

the passage of commercial ships through Iran's coastal waters, and the latest news concerning the questioning and inspection of ships in the Persian Gulf. The full text of the interview is provided for our esteemed readers below.

ETTELA'AT: Please list the aims of the naval maneuvers at Bandar 'Abbas, and, as you do so, could you give the results achieved in these maneuvers?

Commander of the Navy: The navy conducts various maneuvers every year with a view to its training programs. These maneuvers have various parts, and they are generally set by programs approved by the navy. In view of the existing threats in the area, a series of operational projects are approved, and on that basis the naval personnel carry out the education and training needed to provide the readiness needed to carry out these projects at the appropriate time.

ETTELA'AT: Does the navy have plans to carry out maneuvers in the country's northern waters?

Commander of the Navy: Currently, in view of the fact that Iran's naval units are concentrated in the Persian Gulf and the Sea of Oman and that training bases are located in the north, we have no plan in this area, because the training units are not prepared to participate in such extensive maneuvers.

ETTELA'AT: What led to the detainment of the Dutch tugboat Amsterdam in Iran's coastal waters?

Commander of the Navy: As we have said before, these tugboats, as sea vultures, come into Iran's territorial waters to tow damaged ships, thereby earning huge amounts as fees. What led us to detain the tugboat Amsterdam was its communications system.

This tugboat is equipped with very powerful communications equipment and even surface radar with a range of 120 miles, which appears extraordinary in view of the fact that our own similar tugboats do not have such things.

Of course, a team of electrical, electronics, and communications specialists is now studying this tugboat's equipment. Their report has not yet arrived, and when this inspection is completed it will be clear what the objective was for installing this equipment on the tugboat.

ETTELA'AT: How will you deal with these people if it is determined that they came into Iranian waters for special reasons?

Commander of the Navy: Clearly, if this is determined the tugboat will be held and confiscated and its personnel interrogated. In view of the relations we have with Holland, the personnel of this tugboat will probably be freed through contact with the Foreign Ministry and officials of the Islamic Republic of Iran, and they will be dealt with under the country's laws and regulations.

Persons entering a war region and crossing a country's security zone to take damaged ships are usually adventurers, and clearly, in doing this they have collected intelligence from the area to give to their superiors. In view of what we know of the people who control these tugboats, it is almost certain that this intelligence is used internationally.

ETTELA'AT: What is the usual nature of this intelligence?

Commander of the Navy: It could be the way our naval units are deployed and distributed in the area, and at times it may concern our tracking operations against the enemy's missile systems. It is not unlikely that these individuals exchange and circulate this intelligence.

ETTELA'AT: Exactly how many times has Iran's security zone been announced, and what was the reason for your announcing it again?

Commander of the Navy: At the beginning of the imposed war, the navy issued an international declaration which was published in all the world's maritime publications giving the area of Iran's security zone. Based on this announced zone, ships entering the Strait of Hormoz must go around the continental shelf and keep 12 miles to the south of the island of Abu Musa and go north to Persian Gulf, which is all a war zone and about which there is nothing to be said. This lower section, from 12 miles away from Kibel Bek to 12 south of Fars Island, is a war zone, and we have declared this area a war zone. Any ship entering this area does so at its own risk; if something happens, the navy will assume no responsibility of any kind. This security zone was announced at the beginning of the war, but what caused us to announce it again was the activity of tugboats which have been entering this zone without authorization lately.

It is our clear right to announce a security zone. Any country can do this. For example, world-devouring America will sometimes suddenly declare a 200-mile security zone, and ships must obtain authorization to enter it. Very well, in this place, which is a very extensive war zone, such measures must be taken. Sometimes it is possible that a target will be seen on the radar of our ships when it is not possible for us to determine if the target is hostile or non-combatant and react. These tugboats have long-distance radar, and communications systems, and we could possibly mistake them for hostile enemy units and attack them. These units must therefore abstain from entering this area unless they have navy authorization.

ETTELA'AT: Is your threat to destroy these tugboats and ships a serious one?

Commander of the Navy: Our serious threat is that the responsibility for anything that happens in this security zone is with those ships.

ETTELA'AT: Since you issued your warning and threat, have any new ships entered the security zone?

Commander of the Navy: Fortunately, since then no unit has entered the security zone.

ETTELA'AT: Does the navy have a plan to close the Strait of Hormoz against imminent threats from the world powers?

Commander of the Navy: Clearly we have plans, and we have announced that repeatedly. We will implement them at the appropriate time against a likely threat, on orders from the Supreme Defense Council. Likewise, in view of the systems, equipment, and efficiency of the navy's personnel, we are sure that these plans will be very successful if implemented.

ETTELA'AT: Does the navy have plans to purchase naval equipment?

Commander of the Navy: Our goal is that the navy be self-sufficient, make good use of the systems and equipment it has, and fulfill its mission. However, we are not against new technology entering our naval system. This would not mean that we would become dependent on these systems. If we know that a system would create no dependence for us and that our personnel have the necessary training to make comfortable use of it, we would welcome it.

ETTELA'AT: How do you explain the presence of American, British and French warships in the Persian Gulf, and what measures have you taken to confront possible danger from them?

Commander of the Navy: These ships have been in the area for some time. These ships are in the area, especially outside the Strait of Hormoz or in the waters of countries of the region, because of the world-devouring policies of the imperialist powers. We hope that the other Persian Gulf countries will conclude that the reason these ships are in the Persian Gulf is to suck the blood of the nations of this area. Otherwise, why would they need to travel thousands of miles to stay here around the clock?

Concerning the adoption of security measures, I must explain that under no circumstances will these ships enter our waters. They are under the complete surveillance of our units. As long as we do not feel an immediate danger, we will continue to follow their movements in an attitude of surveillance. Clearly, if their threats become imminent, we have plans ready to deal with them.

ETTELA'AT: How many ships have been interrogated or stopped so far by navy personnel?

Commander of the Navy: In view of the number of ships passing through the Strait of Hormoz, around 10 to 20 ships are interrogated by Iranian forces daily, with a total of more than 400 so far. The only ships stopped are the ones we feel are carrying suspicious merchandise, or cargos that could affect the enemy's combat capability.

The last ship to be stopped was the German ship Gabriel, which was released last Friday afternoon after we were satisfied that it had no military goods for Iraq. Naval personnel will continue to implement their policy in this area decisively.

ETTELA'AT: What measures and steps has the navy taken to protect oil tankers passing through Iran's territorial waters?

Commander of the Navy: With the measures we have taken, we have been able to keep the sea lanes and ports open for the passage of oil tankers, and the ships pass through the area easily and under our supervision. The Iraqi regime announces every day and every hour that it has fired on maritime units, and there is no truth to these claims. If there were, the insurance companies, especially Lloyd's of London, would immediately cable that information over their telex systems.

ETTELA'AT: To what extent have you taken security measures in the area?

Commander of the Navy: Of course, in view of the wartime situation, we cannot publicize the steps we have taken, but a great deal is made clear by the very extent to which the enemy fires rockets every day and keeps aircraft in the area without being able to do anything. The enemy has re-equipped his rockets with Exocet missiles, and this has been ineffective in view of our tracking systems and security measures.

ETTELA'AT: Are ships with military cargo for Iraq using the coastal waters of countries in the area to reach their destination?

Commander of the Navy: We have so concentrated our ships in the area that these ships are interrogated before entering that area. As we have frequently warned, however, if we should sense that ships with suspicious cargoes are using the territorial waters of other countries, we will remove them from that coastal course using special measures.

ETTELA'AT: Could you explain further about these measures?

Commander of the Navy: These ships are following a course in which they are periodically obliged to leave these coastal waters for a short time. We warn them that if they do not come out voluntarily, they will be endangered when they do come out. In several cases these ships have come out of their coastal course and been interrogated. Of course, with our relations with the countries of the area, we hope these countries will prevent these ships from passing.

ETTELA'AT: What is the current level of training of naval personnel?

Commander of the Navy: Commissioned and non-commissioned cadres are trained in various specialties within the country. They study various fields in mechanical engineering, electrical power, electronics, and even basic flying and ship's piloting at the College of Naval Sciences. The first graduating class at this school is entering the final stage of training this year. Likewise, the largest electrical power and electronics school in the Middle East has been established in Rasht. This school, which the Americans worked on previously, has been launched and put into operation by naval personnel through around-the-clock effort.

ETTELA'AT: In view of the nearness of 7 Azar [28 Nov], the anniversary of Operation Morvarid and the bravery of the heroic personnel of the Peykan warships, if you have anything special to say please do so.

Commander of the Navy: The seventh of Azar is the anniversary of the epic exploits of the brave guardians of the sea. On this day, the courageous personnel of this force, in close cooperation with the air force, were able to strike heavy blows against the enemy's naval forces, from which the enemy has not yet been able to recover.

In these operations, which almost put an end to Iraq's naval operations, a number of the enemy's naval and air force units were sent to the bottom of the sea. In this operation, the zealous and brave navy personnel showed world imperialism that they have stood on their own feet, and that they are prepared for any kind of self-sacrifice. Finally, I announce that the Navy of the Islamic Republic of Iran, supported by the martyr-nurturing nation, is prepared to carry out successfully any assigned responsibility in the area.

9310

CSO: 4640/109

IRAN

PAPER PRAISES UAE POLICY TOWARD IRAN

GF291248 Tehran International Service in Arabic 0800 GMT 29 Dec 85

[From the press review]

[Text] The newspaper JOMHURI-YE ESLAMI today writes: The UAE minister of state for foreign affairs arrived in Tehran yesterday leading a delegation on a visit to the country. He was received at Tehran Airport by Iranian officials. The visit is part of the expanding bilateral relations between the Islamic Republic of Iran and its neighbors in the southern Persian Gulf. The UAE has a special standing in these relations. These relations can be expanded and bolstered in view of the practical policy adopted by the UAE in its relations with Iran.

Minister Rashid 'abdallah stated during the first round of talks that the UAE agrees with the Islamic Republic on numerous points. This means that the UAE has planned a practical external policy which has made it stand out among the rest of the Persian Gulf countries.

The paper continues: The Islamic revolution has carried with it the breeze of mercy and love to its neighbors to remove the unequal relations and the arrogance with which the shah's regime used to deal with these neighbors. Some of these countries, however, could not appreciate the love and sincerity espoused by the Islamic revolution. Among those who could realize and appreciate the mercy and sincerity of the Islamic revolution is the UAE, which has endeavored not to fall victim to the pressure exerted by international oppressors and their surrogates in this region, and has carefully assessed the wise policy of the Islamic Republic toward its neighbors in the region.

The visit of Shaykh Rashid 'abdallah to Tehran will undoubtedly strengthen the ties of friendship and fruitful relations between the two sides, which can be an example for relations between the Islamic revolution and the Persian Gulf countries.

/12858

CSO: 4604/19

IRAN

COMMENTS ON UAE DELEGATION'S VISIT REPORTED

LD291514 Tehran Domestic Service in Persian 1056 GMT 29 Dec 85

[Unattributed commentary]

[Text] Yesterday, the UAE minister of state for foreign affairs, heading a delegation, arrived in Tehran. He was met at Tehran Airport by our country's minister of foreign affairs. Rashid 'Abdallah al-Nu'aymi, who was carrying a message from UAE Amir Shaykh Zayid, for the president of our country, said at the airport:

This meeting, in my view, is extremely important and I hope that there will be some opportunities for discussions and meetings with Iranian officials. He expressed the hope that, in the course of his meetings in Iran, issues related to the world of Islam and mutual relations will be studied and discussed.

The visit of the UAE delegation has a more political dimension, which, noting the situation in the region, can be regarded as important. From the commercial standpoint, the Islamic Republic of Iran's relation with the UAE consists more of the export of our traditional goods to the UAE such as internal produce, dried and fresh fruit--considering this country's economic structure.

Two weeks ago Commerce Minister Ja'fari, on his way back to Tehran, stopped over in the UAE. In Dubai, he met his UAE counterparts and held discussions with them. At this meeting, the expansion of economic cooperation and commercial exchanges between the two countries were negotiated and the UAE was invited to take part in the Tehran International Fair. Mutual economic cooperation is a sign of the warm political relations between the two countries after the victory of the Islamic Revolution of Iran.

The UAE, compared with the rest of the southern Persian Gulf littoral, has adopted a more objectively minded approach in its relations with our country. The officials in charge of that country have always welcomed an expansion of their relations with the Islamic Republic of Iran and they have desired the establishment of warm and sincere relations. The realistic approach of the officials of that country with the Islamic

Revolution of Iran has been an important element in the contacts between the two countries at the political level.

It is worth noting that the prestigious publications of that country have shown a more rational approach toward the Islamic Revolution in comparison with the publications of either countries of the Persian Gulf, and have used a more candid and decisive tone when discussing regional issues. The UAE is among the countries that has been less duped by the world arrogance's propaganda against the Islamic Republic of Iran, and it has tried, without the fuss and sensationalism of Zionist and imperialist propagandists, to have a friendly approach toward the Islamic Republic of Iran and to support it. The desire of that country to expand its relations with our country has always been an object of anger and scorn by Iraq, and terrorist conspiracies and even efforts to carry out a coup in that country in Shaykh Zayid's absence have been linked to the Aflaqite Iraqi regime.

In recent years the imperialist news network has tried to gather in the petrodollars of the countries of the Persian Gulf region for the benefit of Iraq, with the lie that the Islamic Republic of Iran has covetous intentions toward the shaykhdoms of the Persian Gulf, or that it intends to create political changes through intervention; even if today, the countries of the southern Persian Gulf has realized that these accusations were untrue, nevertheless the UAE is the only country in the region that was not influenced by such propaganda, and made efforts to expand its relations with our country in a realistic manner.

The Islamic Republic of Iran expected that, following the downfall of the Shah's regime in Iran, the countries of the southern Persian Gulf, in understanding of the new realities, would take steps to expand their relations, especially when these countries were continuously humiliated by the defunct Shah who took on himself the role of policing the region, and were counted as second-rate or third-rate countries. But, unfortunately, the policies of these countries has been unrealistic and sometimes childish. Following the adventurist measures taken by the Aflaqite regime in the waters of the Persian Gulf, and the self-possessed and at the same time strong policy of the Islamic Republic of Iran in its confrontation with these plots, the GCC countries at their sixth meeting in Muscat, contrary to their past sessions, moved toward a more realistic policy and called for contact and the establishment of sound relations with our country.

Mr Rashid al-Nu'aymi, who is now in Tehran, will discuss various political issues which relate more to regional affairs, with the officials of our country. Among the issues of interest that our country would want to discuss is the presence of alien forces in the Persian Gulf, and in some of the countries of the region. The Islamic Republic of Iran strongly opposes the presence of foreigners in Islamic territory and considers that the presence of arrogant forces in the region is contrary to the interests

of the peoples of this region. If governments pay attention to the demands of their own people, and if they undertake to protect and guide them in order that they may move them toward progress and toward solving their problems, then they have no need for any foreign aid, and by attracting the support of their own people, they can overcome difficulties. Islamic countries, through cooperation and unanimity of views, can cope with their greatest problems and destroy the roots of Zionism in the region. The Islamic Republic of Iran, as a powerful Islamic country, can assist the countries of the region and of the world of Islam to solve their problems.

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CSO: 4640/134

IRAN

HEZBOLLAH OFFICIAL REJECTS LEBANON AGREEMENT

LD302327 Tehran Domestic Service in Persian 1630 GMT 30 Dec 85

[Text] The joint Lebanese Hezbollah and Amal committee members left Tehran today for Lebanon after meetings and talks with our country's officials. They were seen off by a number of foreign ministry officials. Sayyid Ibrahim Amin, the representative of the Lebanese Hezbollah, in an interview with our correspondent before his departure from Tehran, stressed the unity of Muslims and welcomed the results of the visit, as well as the agreements reached with the Amal movement, thanks to the efforts and guidance provided by officials of the Islamic Republic of Iran. He described as necessary the continued activity of the joint committee to achieve unity of views among Muslim brothers.

He then turned to the tripartite agreement signed in Damascus between the Amal movement, the Druze, and the Lebanese forces. He noted the record of Elie Hubayqah, who represented the Lebanese forces. He said: Elie Hubayqah is one of the Israeli lackeys and the main agent of the massacre of Palestinians in the Sabra and Shatilah camps. The agreements signed in Damascus will only serve the interests of America in the region, and it will provide greater security and stability for Israel.

The representative of the Lebanese Hezbollah said: The agreements will deprive the Muslims and faithful in Lebanon of a valuable opportunity to confront Israel, and it will bring about numerous problems and difficulties. For this reason, we cannot come to agreement with those who have that sort of record in Lebanon nor sanction their agreements.

The representative of the Lebanese Amal movement also welcomed the attention given by officials of the Islamic Republic of Iran to Lebanese Muslims and expressed thanks and gratitude for Iran's efforts to serve Muslims, particularly Lebanese Muslims, and to bring about unity in their ranks. He said: Our objective throughout our struggle has been to eliminate factionalism, to bring about the spirit and sovereignty of Islam on the Lebanese arena. The Lebanese Government should be in the hands of Muslims within the framework of an Islamic system so that their dignity is preserved. For this reason, we shall support any plan that serves the majority of Lebanese Muslims and guarantees Islamic sovereignty. Any other plan running counter to that is condemned and will be opposed.

He added: At the moment we are looking with caution at the agreement, one party to which is Elie Hubayqah. He is not someone who can speak for all the Christians. For this reason, he cannot guarantee the implementation of such an agreement. We must carefully follow any agreement.

In conclusion, the representative of the Lebanese Amal movement said: We have come to the Islamic Republic to tell the enemy that there is no dispute between shi'ites. We also express our support for the Islamic Republic of Iran as a pioneering revolution. He also said: During the visit we reached joint and very fruitful agreements with our Lebanese Hezbollah brothers. This will herald a very hopeful future for the Muslims on the Lebanese arena.

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CSO: 4640/135

IRAN

PAPER COMMENTS ON RELATIONS WITH USSR

GF301319 Tehran International Service in Arabic 0800 GMT 30 Dec 85

[From the press review]

[Text] In the opinion column and under the headline "What Does Radio Moscow Commentary Inspire?" the newspaper KEYHAN AL-'ARABI says: In its commentary on the means to be adopted in directing Soviet-Iranian relations, Radio Moscow indicated that the Soviet leaders are still keen to maintain good relations despite the political and ideological contradictions between the two countries. Yet the radio believes that there are many common and important denominators that could consolidate the existing relations. We, in the Islamic Republic of Iran, had referred to these common denominators and to the fact that there is nothing to impede maintaining good relations between Moscow and Tehran. However, we always believed that it is our right to demand that the Soviets prove their good intentions.

KEYHAN AL-'ARABI goes on to say: Despite the fact that officials have demonstrated relative satisfaction with the position the Kremlin was keen to convey through its ambassador in Tehran concerning restraint in dispatching sophisticated Soviet weapons which could gravely escalate the war Iraq has been waging.

We believe that the commentary carried by Radio Moscow failed, as usual, to refer to the duality which has distinguished the Soviet position toward the war and which has excluded what the Soviets usually refer to as illogical concerning the Iranian refusal to terminate the war before the elimination of the aggressor. This commentary will reinforce the belief that Moscow has reconsidered its view of the war.

The only thing the radio was keen to include in its commentary was the reference that the USSR might refuse efforts to impose ideological influence on the others by force. We believe that it is incumbent on us to tell the Soviets to prove it. If they have a belief that was not revealed by the radio commentary which states that Soviets' bitter experience in Afghanistan is considered an outcome of their ideological alliance with the Kabul regime, then it would be desirable if the Soviets ask themselves about the type of firm ideological relationships that link

the Muslims of the world and of Afghanistan with the Islamic Republic of Iran.

Why then, do the Soviets still plan to exploit the war? This could be through the desire to prolong it with the aim of pressuring the Islamic Republic of Iran to abandon its principled position, which calls for granting the Muslim Afghan people their full freedom to determine their future by themselves.

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CSO: 4604/20

QOM CENTRAL NEWS UNIT CRITICIZES BBC

GF010357 Tehran KEYHAN in Persian 19 Dec 85 p 20

[Text] Qom--The official in charge of the Central News Unit at Qom has stated that 2 nights ago the British Government's Persian radio news broadcast program was completely false.

During its 1945 [1615 GMT] Persian broadcast 2 days ago, while broadcasting its defective and distorted version of a statement issued by the office of Ayatollah Montazeri, Radio BBC claimed that there had been demonstrations in Qom against the election of Ayatollah Montazeri by the Council of Experts. While refuting this news report, the official in charge of the Central News Unit in Qom said: The demonstrations that took place in Qom on 11 December in front of the Qom Islamic Information Bureau were held by the Qom seminary students and people who favored the meritorious decision of the Council of Experts concerning the election of the high-ranking jurisconsult, grand Ayatollah Montazeri, to be the future leader of the Islamic ummah. During the course of these demonstrations, in a speech, one of the teachers of theology present at the scene applauded the election of the Grand Ayatollah Montazeri and expressed the support of the demonstrators for this election.

The official in charge of the Qom Central News Unit added: Broadcasting such lies and distorted news by radios like that of the BBC is known to all; there is nothing new in it. The Iranian Muslim ummah are fully aware of the intrinsic value of such news reports. The broadcasting of such false news is the best proof of the meritorious election by the Council of Experts and its effect on the Islamic revolution in the future.

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CSO: 4640/133

IRAN

AFGHAN REBELS' SUCCESSES ON OCCUPATION ANNIVERSARY CITED

LD271802 Tehran Domestic Service in Persian 1630 GMT 27 Dec 85

[Text] Afghan revolutionary Muslims, on the occasion of the 6th year of the occupation of Afghanistan and in spite of the severely cold weather, attacked the bases of the joint Afghan government and Soviet forces in various parts of that country. According to the report of the Central News Unit from Islamabad, in spite of the extensive security measures undertaken by the joint occupying and government forces in order to foil the operations of the Afghan revolutionary Muslims, the latter, in a successful attack against a base of the aggressor forces in the Khair Koh Region, situated in the province [as heard] of (Katwan), while killing 30 joint troops of this base, captured 45 soldiers of the Afghan government. In this attack, the revolutionary Muslims succeeded in taking as booty 120 Kalashnikov machineguns and some heavy weaponry.

According to reports received from Afghanistan, all the forces belonging to the Afghan government and to the occupying forces, at present, are in a state of total alert, and the bomber fighters and helicopters of the Afghanistan regime are patrolling the airspaces of sensitive spots of Kabul, Harat, Qazwain, Paktia, and Badakhshan.

Another report from the Province of Badakhshan, Afghanistan, states: Revolutionary Muslims, in an attack on one of the prisons of Babrak Karmal's regime, in this province, while killing 15 prison officials, succeeded in freeing 50 of their co-combatant colleagues.

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CSO: 4640/136

IRAN

AFGHAN DEMONSTRATIONS AGAINST USSR REPORTED

LD271438 Tehran IRNA in English 1409 GMT 27 Dec 85

[Text] Tehran, Dec 27, IRNA--Tens of thousands of Afghan refugees residing here, held a massive march in city streets in protest to the Soviet occupation of Afghanistan, and expressed their indignation at the presence of the foreign troops in their Islamic homeland.

The demonstrators carried pictures of Imam Khomeyni, as well as Afghan resistance leaders and martyrs. According to IRNA reporters, the number of demonstrators this year was much higher compared with the previous years, and it was better organized.

A group of Shia, and Sunni Afghan theologians were seen among the demonstrators in a unified rank. An Afghan theologian leader told IRNA that this year, almost all the Afghan political groups participated in the rally.

The Afghan refugees also carried placards in condemnation of Soviet imperialism and in honor of Afghan martyrs. Others said the war will continue until the liberation of the Afghan land.

The march started from VALI-E Asr Square in central Tehran, and proceeded toward Tehran University where the Friday prayers was held. The demonstrators listened to speeches delivered to them by a number of Afghan theologians, and shouted slogans in condemnation of the occupation of their country by the Red Army.

A 13-point resolution was also passed and confirmed by the demonstrators at the end of the rally. The resolution pointed to the rightful demands of the Afghan nation, including unconditional withdrawal of the Soviet troops from their homeland, as well as discontinuation of Soviet bombardments and shellings of Afghan villages and civilian areas.

The Afghan nation, according to the resolution, is resolute to continue this jihad (holy war) "until the last drop of our blood." It also condemned any effort aimed at seeking "peaceful and political solutions" to the Afghan issue. The resolution also described U.S. claims of aiding the Afghan mujahideen as "imperialistic propaganda".

It also appreciated the Islamic Republic of Iran for its aid to and support of the Afghan nation.

Similar ceremonies were held on the occasion in other Iranian cities and elsewhere throughout the world.

/12858

CSO: 4600/163

IRAN

MONTAZERI CABLES MUSLIM STUDENTS' SEMINAR IN U.S.

LD291302 Tehran IRNA in English 1200 GMT 29 Dec 85

[Text] Washington, Dec 29, IRNA--Ayatollah Hoseyn 'Ali Montazeri, in a message to the fourteenth cultural seminar of the Muslim Students Association (MSA) in America and Canada, opened in Louisiana, Sunday, said that behavior and conduct of members of the association was the best pattern for the Islamic revolution of Iran.

In another part of his message Ayatollah Montazeri urged the students to strive towards acquiring more knowledge and science and establish sound relations with those interested in Islam and the Islamic revolution. Through such ties, he added, not only vicious propaganda of the enemies of Islamic revolution would be counteracted but also those interested in Islam would be able to make use of experiences of the students.

The three-day seminar, held in two separate sessions one in English language for non-Iranian Muslim students and one in Persian for the Iranian students, opened with the participation of a large number of student members of the association and also Islamic scholars and professors.

The Friday prayers leader of the Al-Rasoul Mosque of California, Abdul Halim Musa, speaking in the English session of the seminar, referred to the hostility of Western governments, the U.S. in particular, with Islam and Muslims. He also called for unity of all Muslims in the United States.

In another part of his speech he talked about plots of capitalist systems against Islam and their efforts in distorting the Islamic ideology. He stressed the need for the establishment of a special educational [words indistinct] emphasized the need to fight against cultural decadence.

The next speaker of the session was the head of the London Islamic Institute, Kalim Seddiqui, who analyzed plots of the world arrogance in sowing discord among Muslims to crush Islam.

The editor of the Canada-based Crescent International, Zafar Bangash, also talked about the role of Western media in anti-Islamic propaganda. Western mass media, supported by Western governments, have been trying to mar the Islamic revolution of Iran, he told the seminar.

Meanwhile, in the Persian language session of the seminar various speakers talked about issues related to the Islamic revolution of Iran and stressed that the Iraqi-imposed war should be continued till the victory of the Iranian forces.

IRAN

GOODS, SERVICES INDEX DROP 3.6 PERCENT IN JUN-JUL

Tehran BURS in Persian 14 Oct 85 p 2

[Text] According to the statistics issued by the Central Bank of the Islamic Republic of Iran, the price index of consumer goods and services for the urban areas of the country in the month of Tir 1364 [22 June - 22 July 1985] dropped 3.6 percent in comparison to the previous month. After deductions for seasonal fluctuations, this decrease in price index shows a 0.2 percent drop. Compared with the similar month of the previous year, the price index for consumer goods and services stands at a level 1.3 percent higher.

During the first four months of the current year, the median price index of consumer goods and services showed an increase of 3.6 percent over that of the similar period of last year. During the month of Tir of 1364, the price index for foodstuffs decreased about 10 percent. The sharp drop of 35 percent in the price of seasonal fresh fruits and vegetables and their abundance not only accounted for the major decrease in the index of foodstuffs but also was the most important factor in bringing down the price index of consumer goods and services throughout the country.

The price of solid vegetable shortening, which as a result of a high demand was artificially increased, also returned to its previous level. Similarly, the price index showed a 19 percent rise in animal fat and vegetable oil and among other foodstuff prices which were subject for indexing, the varieties of bread and rices had a moderate rise. However, the overall price of cereals remained unchanged. Furthermore, according to the same report, during the month of Tir of the current year the price of red meat and its seasonal consumption showed a slight drop, the same as that of tobacco products, which decreased 0.02 percent, while there was no change in the price of refined and lump sugar. Moreover, there was a decrease of one percent in the price index of housing and building materials while in contrast the wages of construction workers increased. It should be noted here that during the same period, the price index of miscellaneous goods and services showed a slight increase.

12719
CSO: 4640/120

GOODS, SERVICES INDEX INCREASE 5 PERCENT IN AUG-SEP

Tehran KEYHAN in Persian 2 Nov 85 p 21

[Text] Economic Service - According to the office of economic statistics of the Central Bank the price index of consumer goods and services in the urban areas of Iran during the month of Shahrivar 1364 [23 August - 22 September 1985] in comparison to the previous month increased 5 percent.

Compared with the same month of the previous year, this price index shows a 3 percent increase. Furthermore, the median price index of the first six months of the current year in comparison to the similar period of the previous year grew 3.2 percent.

The price index of the consumer goods and services, which usually is affected by the fluctuation of the index of foodstuffs during the abovementioned month, was totally affected by the increase in the price of non-consumer goods and services, although in the foodstuff group the price of some items such as rice, eggs, some dairy products, a few varieties of meat, fresh vegetables and restaurant foods showed an increase, yet the price of some other foodstuffs such as bread, animal and vegetable shortenings, tea, refined and lump sugar enjoyed a relative stability.

As a result of the seasonal decrease in the price of fresh fruits, cereals and the effect of the continuation of the annulment of the quota system of Tir cigarettes [domestic brand], the price index of aforementioned group helped decrease the price of imported cigarettes to a slight degree. At the same time the price of some clothing items, building materials and services, rent, private cars and spare parts and repair costs and the price of some household utensils and equipment, health care and treatment, gold and fresh seasonal flowers showed an increase accordingly.

The increase in exit-toll which is levied on people who leave the country, and which went into effect at the beginning of Shahrivar [23 August], has also helped to a certain degree to raise the index figure during the month in question.

In comparison to the last year's month of Shahrivar [23 August - 22 September], the index of clothing group of items had a one percent increase, that of building materials and services each had a 3 percent rise, home rent rose 12 percent, city transportation costs and that of travel, health and treatment all had a 9

percent increase. Similarly, the price index of entertainment and education each increased 13 percent while personal expenditures rose 16 percent and that of tobacco products increased 43 percent. At the same time, the price index of home furniture and other related commodities and services decreased 2 percent and that of gold coins dropped 8 percent while during the same period the index for foodstuff remained unchanged.

12719

CSO: 4640/124

IRAN

PRICE OF FOODSTUFF IN TEHRAN ANNOUNCED

Tehran BURS in Persian 15 Oct 85 p 2

[Text] The statistics office of the Central Bank of the Islamic Republic of Iran presented a report to IRNA regarding the situation of some of the food-stuffs on a retail level in Tehran during the week ending on the 4th of October 1985. According to this report, during the week in question an increase in the supply of imported cheese showed there was a slight drop in its price. Similarly, the price of other dairy products decreased between 0.5 and one percent while the price of eggs remained unchanged. During the week in question the imported, rationed rice was distributed for sale to many official sale-centers at 100-rial per kilo--this showed an increase of 11.1 percent over a similar week of last year.

The price of domestic Sadri rice, first and second grade increased by 1.5 and 1.1 percent respectively. The price of most cereals showed a 0.5 to 10.9 percent drop. According to the same report, despite the increase in the supply of all the seasonal fruits during the week in question, their prices showed an increase of 0.1 to 10.8 percent. Among the fresh vegetables, the price of onions and potatoes increased 28.3 and 12.9 percent respectively, and at the same time the price of large-leaved vegetables each rose 0.2 percent; however the price of other related items indicated 4.3 to 10.5 percent drop.

Also during the week in question, poultry meat was not distributed at official government prices while there was a lack of adequate supply of mutton and beef at government prices at the city level. Further, there was no change in the price of varieties of rationed meat, and the price of mutton and beef on the free market increased by 0.4 and 0.7 percent respectively.

12719
CSO: 4640/120

IRAN

CENTRAL BANK ISSUES WHOLESALE PRICE INDEX

Tehran KEYHAN in Persian 2 Nov 85 p 21

[Text] Economic Service - The office of economic statistics of the Central Bank issued a brief report pertaining to the month of Shahrivar 1364 [23 August - 22 September 1985] concerning the wholesale price index of goods in Iran.

According to this report, the wholesale price index of goods in Iran during the above-stated month increased one percent in comparison to the previous month.

Compared with the relevant figure in the month of Shahrivar of the previous year, this index shows an increase of 5.7 percent. The median wholesale price index of goods in Iran during the first six months of the current year increased four percent as compared with the similar period of the previous year.

This report also indicates that the official price increase of cotton-seed and cotton-pod occupied the major portion in the wholesale price index increase during the said month. In the meantime, the price of wheat flour, dairy products, dried fruits, fresh vegetables, olives, cement products, cotton and woolen fabrics, clothing, paper and cardboard, varieties of lace, hasps and staples also increased while the price of rice [as a result of a new supply], cereals, fresh fruits [except citrus], carpeting, lumber and multi-ply boards has a slight decrease which helped adjust or moderate the price of the abovementioned items.

In comparison with the same month of last year, the wholesale price index of foodstuffs and live animals, basic metals and metal products each rose about 4 percent. Likewise, there was an increase of 39 percent in the wholesale price index of raw industrial materials, that of tobacco products and alcoholic beverages 48 percent, mineral materials 5 percent, hide and leather products 28 percent, lumber 11 percent, paper and cardboard 7 percent, machinery and transportation vehicles 3 percent, agricultural and animal products 9 percent, and building materials showed an 8 percent increase over the similar month [23 August - 22 September] of last year.

Meanwhile, the price index of mineral fuels and products, chemical and petrochemical products, textiles, clothing and tires all enjoyed a relative stability and they did not have an appreciable change in comparison to the similar month of the previous year.

IRAN

MORE NON-OIL PRODUCTS EXPORTED TO IRELAND

Tehran BURS in Persian 16 Oct 85 pp 1-2

[Text] Dr Zali, our country's minister of agriculture who at the head of an economic delegation had travelled to Ireland at the invitation of the agriculture minister of that country returned to Tehran. In an interview with the correspondent of the IRNA in London before his departure, Dr Zali stated: The total amount of commercial transactions between the Islamic Republic of Iran and Southern Ireland, which mainly cover the areas of agriculture and animal husbandry, is equivalent to 60 million pounds annually which is relatively on the increase.

Some of the commodities include meat, dry milk, barley and animal medicine. At present, a large quantity of animal meat is prepared in Ireland annually according to the Islamic slaughter rules and exported to Iran. As regards the proper control and supervision of the slaughter of the animals according to the Islamic rules, a delegation from the Meat Organization of our country travels each year to Southern Ireland's two main meat preparation centers. It should be noted here that the two meat preparation centers in Southern Ireland have, as requested by the Islamic Republic, precisely changed their slaughtering system to meet the Islamic slaughter rules and with due supervision by our country's responsible officials the animals are slaughtered and the meat is thus exported to Iran.

According to Mr Zali, based on the agreements, non-oil commodities from Iran will be exported to Southern Ireland. Furthermore, regarding the exchange of specialists and students in the field of agriculture, certain negotiations have been carried out which will be put into action in the future. Mr Zali and other members of the delegation, who were warmly received by the Southern Ireland authorities, visited various agricultural and research centers of that country, and on an extensive basis discussed the relations between the two countries with the high-ranking officials of Ireland. As regards relations between Iran and Ireland, Mr Zali stated that during recent years relations between the two countries have relatively expanded and an Islamic Republic embassy has been established in Dublin and similarly the authorities of that country have expressed their willingness to expand relations between the two nations.

12719

CSO: 4640/124

IRAN

KHAMENE'I ADDRESSES KARBALA' MARCHERS

LD281435 Tehran Domestic Service in Persian 1030 GMT 28 Dec 85

[Excerpt] Ceremonies were held on the occasion of the departure of more than 7,000 volunteer forces from Mazendaran Province more than 2,000 volunteer forces from Semnan Province. Included were a party of Friday prayer leaders, various groups from these two provinces forming the Karbala' marchers, and 5,000 Karbala' pilgrims from the respected families of POW's, the missing, martyrs and combatants, who are setting off for the battlefronts of war, today, amid the combatants of Islam resounding cries: "War, war until victory", and "Death to America." Present was Seyyed 'Ali Khamene'i, president and chairman of the Supreme Defense Council, along with 12,000 others in the Liberation Stadium.

The chairman of the Supreme Defense Council in this gathering in the course of some remarks referred to the analytic power of the people and the political awareness of the Hezbollah ummah. He said that today, from around this vast human ocean, waves of self-sacrificing people who knows no limits to Islamic boundaries, and regions, from the north, south, west and east of the country, springing from all strata and from all communities, Shi'a and Sunnis, rural and urban inhabitants, are on the move like a tumultuous wave. They are going, so that with the power of their own hands, they may hoist the flag of the Islamic Republic--the flag of the Koran and of Islam--in their own territory and their own history in such a way that no storm whatsoever can shake it in the future.

The chairman of the Supreme Defense Council stressed that your alert movement in the Karbala' convoys has altered all the equations. Your presence, steadfast and determined, brave and happy in the Karbala' convoys has made the Iraqi regime to lose morale. Today constitutes that sensitive and destiny-determining moment which has been envisaged throughout the war because today, all the objective governments, and regimes who want to do good, that until today they supported Iraq without any reason. By the grace of God, Iraq is feeling weak on the international scene, and today is that same day that you must deliver your blow all the more stronger.

/12858
CSO: 4640/137

IRAN

EMIGRE PAPER: 27 PARTICIPANTS OF U.S. EMBASSY TAKEOVER KILLED

London KEYHAN in Persian 5 Dec 85 p 5

[London KEYHAN weekly in Persian; founder and publisher Dr mesbahzadeh]

[Text] It seems as if the Islamic Republic is burying the secrets of the U.S. embassy hostage-taking. On the sixth anniversary of the U.S. embassy takeover in Tehran, the newspapers of the Islamic Republic are reporting the news about the death or mysterious disappearance of nearly half of the individuals who entered that embassy as the students who follow the line of the imam.

Most of these students were members of the Students' Islamic Societies in Tehran and other cities of Iran. About 12 women and young ladies were also among this group who left the embassy at the early stages of the takeover. In the following days some other groups were also driven out of the embassy, among them one can name Dr Peyman and his student-followers, who published "OMAT" newspaper. After Hojjat ol-Eslam Kho'iniha joined the group which had occupied the embassy and took charge of the students, the purging of the occupiers intensified, so much so that after two weeks about 40 persons from the original group were left in the embassy and were joined later by a group of guards and military personnel.

After the adventure was over, the students following the line of the imam joined various organs of the Islamic Republic. Some were employed by the Guards Corps, some became governors and lieutenant-governors of various cities and during the past couple of years some moved up to become deputy minister of various ministries. Nevertheless, the Islamic Republic did not allow any of these students to leave the country. Only one of those students from Shiraz University who had joined the occupying group was able, under certain pretext to leave the country and go abroad to continue his education.

This student who was previously working in the Tribal Affairs Foundation, while he was still busy continuing his studies was called back home and had to return.

In various newspapers of the Islamic Republic the names of 27 of these students whose names have been introduced after their death are printed. These former students who were members of the occupying group have been either killed at the Iran-Iraq battlefronts, at the hands of the political groups or they've mysteriously disappeared.

From among the 27 persons, the faces of Mehdi Rajab-Bigi and Hasan Seyf were among the more familiar ones. These two individuals were the ones who during the hostage-taking incident were responsible for interviews with radio and TV and also they were the ones who were in charge of talking with the hostages. Mehdi Rajab-Bigi, who later became a member of the Central Council of the Construction Jihad and Cultural Revolution Council, was killed by the political groups and as usual his murder was attributed to the agents of the United States and Hasan Seyf who also became responsible for military training of the Guards Corps was killed in an operation called Kheybar.

From among this group of students, who became known as the followers of the line of the imam, at the present time one group is busy with the job of putting the captured documents together--which seems to be quite a lengthy job--and whenever the Islamic Republic senses danger from an individual or some individuals, it suddenly circulates a new document in which the name of that single person or those several other persons happen to be included.

In this regard, another issue which still could arouse interest is the translation of the documents and protocols which were known as the Algerian agreement which are being translated page by page in one of the conference halls of the IRNA so that the ayatollahs will be able to read the Persian text and know the details and accordingly issue the pertinent order. One of the old-timer translators who had been invited to participate in the translation of these documents believes that if the work of translation goes on the same way as it has so far, it will take four or five more years before the translation of this voluminous document is completed. Thereafter, it will be forwarded to international forums such as the Hague Tribunal for proper investigation. Until then will any of the original actors of the play--who were present from the very first moment in the American Embassy--be alive to see the result of his own action or will they be eliminated from the scene by being dispatched to the war fronts or by some other mysterious fashion and thus the secrets of all these operations will be buried forever?

List of the Names of the Students Following the Line of the Imam who Have Been Killed:

No.	Name of Martyr	Course of Study	University	Organ of Activity	Name of Operation	Place of martyrdom
1	Seyyed Hosey Mir-Soltani	Chemical Engineering	Sharif Industrial	Guards Corps	Liberation of Susangerd	Susangerd
2	Mohammad Fazel	Industries	"	Reconst. Jihad, Guards Corps	"	Hoveyzeh

No.	Name of Martyr	Course of Study	University	Organ of Activity	Name of Operation	Place of martyrdom
3	Mohsen Veazarati	Chemistry	Sharif Industrial	Guards Corps, Cmdr of Mohammad Rasul Ollah Brigade	Jerusalem	Khorramshahr front
4	Behruz Soltani	Industries	"	Central HQ, Guards Corps	"	"
5	Majid Mo'azen Safa'i	"	"	Central HQ, Ministry of Foreign Affairs Corps	"	"
6	Mohammad Pesaran Behbahani	Manufacturing	"	Guards Corps, 10th Region	Val-Fajr	Kanimangah
7	Ali Saburi	Mines	Poly-technic	In charge of Combat Eng. Operation of a Division	Kheybar	Talayeh
8	Ali Hadipur	"	"	Central HQ, Guards Corps	Val-Fajr	Jonubfakeh
9	Haj Gholam-Hoseyn Soltani	Civil Engineering	"	Cmdr of Susan-gerd Corps	"	"
10	Jalil Sharqi	Mechanica	"	Guards Corps	"	Tappeh-Siah Fortress
11	Hasan Seyf	Electricity	"	In charge of Military Training of Ali's Garrison	Kheybar	Talayeh
12	Haj Abbas Varamini	Labor College	Tehran	Deputy Cmdr of Mohammad's Div.	Val-Fajr	Panjvin
13	Mehdi Rajab-Bigi	Civil Engineering	Poly-technic	Jihad Central Council, Training & Education	-	Killed by US agents
14	Hushang (Sadeq) Tarkashvand	Arab Literature	Tehran	Jihad University, College of Letters	Kheybar	Majnun Island

No.	Name of Martyr	Course of Study	University	Organ of Activity	Name of Operation	Place of martyrdom
15	Mohammad-Hoseyn Bahaderi-Far	Physics	Martyr Beheshti (Melli)	HQ, Den of Espionage Documents	Fat-hol-Mobin	Mysteriously disappeared
16	Ali Hatami	Veterinary	Tehran	Reconst. Crusade	-	Hoveyzeh
17	Mohsen Mandegar	Metallurgy	Sharif Industrial	7-member Council of Land Transfer	-	-
18	Jamal Mir Amir-Khani	Electricity	"	-	Jerusalem	Khorramshahr
19	Nasser Fuladi	Metallurgy	"	-	-	-
20	Hoseyn Shavideh	Mechanics	"	Central Council, Reconst. Crusade	-	-
21	Seyyed Ahmad Kadkhoda-Zadeh	Mines	Poly-technic	-	-	-
22	Assadollah Shirani	Computer	Tehran	Guards Corps	Ramazan	-
23	Seyyed Ahmad Rahimi	Medicine	"	Cmdr, Birjand Corps	-	-
24	Fereydon Sadri	Mechanics	Shiraz	-	-	-
25	Fazlollah Abedini	Pharmaceutical	Tehran	Guards Corps	-	Susangerd
26	Mohammad Bulvardi	Physics	Sharif Industrial	Islamic Revolution, Prosecution Office	-	Mysteriously disappeared
27	Habib Baradaran-Tavakoli	Medicine	Tehran	-	-	-

12719

CSO: 4640/97

IRAI.

OPPOSITION PAPER ANALYZES STATE OF AFFAIRS, 'FINAL BATTLE'

London KEYHAN in Persian 28 Nov 85 pp 1,14

[London KEYHAN weekly in Persian; founder and publisher Dr. Mesbahzadeh]

[Text] Has the last power struggle begun in the Imam's inner sanctum?

Considering the recent events in Tehran, the answer to this question could be positive.

The Islamic Revolution started out as the coalition of the Red and Black forces. Then, in the after-math of Bani-Sadr's impeachment and annihilation of his allies, the Mojahedin, it took the shape of a club whose members were the turbaned and unturbaned mullahs, more or less attached to the Imam.

It could be said that the exclusive ruling power in revolution-stricken Iran has, in the past four years or so, been kept in the house of the Imam.

Presently, a struggle for power is in progress in the house of the Imam. Two major factions may be identified as the main warring camps in this struggle: First, mullahs who have been successful in gathering substantial wealth during the past six years of lawlessness and turmoil. These and their turbanless counterparts presently form the main urban capitalist strata of the Iranian society. To clarify and demonstrate the dimensions of this issue, it is enough to point out that the Iranian oil revenues from the time of the late Shah's departure until today has amounted to approximately 120 billion dollars. This is 20 billion dollars more than Iran's total earned revenues from the time of the signing of the Darsi contract until the start of the Islamic Revolution.

Where has all this money gone?

It is obvious that part of it has been spent on purchasing weapons, food and other essential goods and services. Arms merchants, hoarders, official and unofficial smugglers, go-betweens and other economic parasites have been the beneficiaries of this wealth.

These and their turbaned partners are now a political force. The so-called group of liberal mullahs who, despite their differences, have been united

and hope to attract merchants, industrialists, managers, experts and in a broader sense, all those who can improve the economy of the country. These liberal mullahs are trying to form a new socio-political base for the faltering Islamic regime. They are aware of the fact that the Islamic Republic, in its present form, is finished. Their goal is to ensure the continuation of the Islamic Republic by normalizing the political conditions, putting an end to international isolation and bringing about the security suitable for investments and economic activities.

The second participant in the power struggle is the group that seeks exclusive power in its own right. This group believes that the Islamic Republic cannot survive without the continuation of the revolutionary fervor among its zealot followers, whose numbers have dwindled rapidly. Members of this group are now talking about the third wave of the revolution and reminiscing of the days of the second wave which began by the seizure of the U.S. Embassy, giving a new life to the revolution.

They believe that the revolutionary mood can be maintained only by the continuations of political and social turmoil.

The seizure of the U.S. Embassy, the start of the Iran-Iraq War, the expulsion of Bani-Sadr and the rooting out of urban guerrillas were all tools to keep up the fever of the revolution. This fever, due to the passage of time and inevitable failures of the Islamic regime, has been dropping rapidly. Iran, after the fever, cannot be controlled by adventurous mullahs who mostly have suspicious pasts and connections.

Ayatollah Khomeyni, who is trying to act as a stabilizing force, surely knows that his condemned regime is the loser under both these conditions. This latest power struggle has truly confused the aged ayatollah. Last month in a short speech, he defended the economic views of the conservatives and presented himself as the speaker for the private sector and the bazaar. This month, with a 180 degree turn-around, he has adopted a Leninist posture. It is interesting that Khomeyni suddenly denounces the views of 'Ali [son-in-law and cousin of the Prophet] which has been reflected in his letters to Malik El-Ashtar [Governor of Egypt] by claiming that these views are of a political nature and not religious. In other words, the man whose claim once was that in Islam, politics and religion are inseparable, has not placed himself on the other side of the "theocratic rule" position.

Khomenyi's statements are proof that "theocracy" is nothing but a hollow drum of rhetoric that, when deemed necessary, will even be undermined by its founder.

Some analysts have tried to paint a more important picture of the most recent power struggle among mullahs than really exists. We believe that this new turmoil should not be ignored and the mullahs of either camp are not to be expected to find a solution for the multitude of problems facing the Iran of today.

In this respect, the role of industrialists and in general, past and present operators of the Iranian economy can be of utmost importance. If they enter the scene one-by-one and without adhering to a single acceptable political and social framework, they ultimately will join the ranks of the liberal mullahs and their faith will be the same as "the chicken in the wedding or the wake" [dead either way]. On the contrary, if they realize that their economic, financial, technical and scientific might can and should take on a political shape, then new horizons in pulling the country out of the present dead-lock will take shape.

At this point in time, a few things are evident: First, the system of "theocratic rule" is practically dead and its resurrection is all but impossible. It was widely believed that the death of "theocracy" will come about with the death of Khomeyni himself, but now we see that despite selection of a successor for him, even deputies of the Majlis can scorn the "rule of theocracy."

Second, neither of the two sides in this struggle have a solution for the problems of Iran. Victory of those who advocate "Islamic capitalism" may turn the collapse of the regime into an eventual metamorphosis while the victory of "Islamic Marxists" will turn the country into a blood bath. Inviting the "oppressed" to confiscate the wealth of the "arrogant" is not a difficult task.

Even a stupid mullah like Khoe'niha is capable of doing this. The real difficulty is the management of the fallouts resulting from such policy.

"It may be easy to ride a tiger, but it will not be as easy to get off."

Third, progressive and constitutional monarchists are the only viable force capable of providing solutions and to produce the leadership needed for the transfer of power. However, these forces should not mistake their inevitable power, which is merely a momentum, with active power. Immature optimism can be as fatal as unjustified disappointment.

What is needed now is an objective and multi-dimensional assessment of the present conditions prevailing in the country.

Based on such analysis, the progressive and constitutional monarchist forces can and should be united at least in the primary stage of overthrowing the Islamic regime and the subsequent transfer of power. Ideological unity is in no way a prerequisite for unity in action. Realization of common interests is quite adequate. Only with concerted efforts can positions evacuated by the regime, under pressure, to be overtaken.

Taking power is not an act that can be done with a single miraculous move. It is eventual, step by step and trench by trench.

Nearly seven years ago, the former Iranian regime backed off trench by trench merely by abstaining from fighting and the forces of the "Imam" moved forward step by step. Now is the time for the Islamic Republic to back off

and inevitably lose the intellectual, political, sociological, organizational, bureaucratic and propaganda trenches. Those who want and must conquer these positions cannot afford to squabble amongst themselves.

Today, despite all the pains and agonies prevailing in our Iran, hopeful news is reaching out. Will the political and social leaders of the opposition to the Islamic Republic be capable of understanding the true meaning of these messages and have the humility necessary for the historic act of mapping out the path for the liberation of the Iranian people?

We hope the answer to this question is positive in action.

13182/9435
CSO: 4640/83

IRAN

BRIEFS

PAPER ON KHOMEYNI'S ILLNESS--Melbourne (JANG Foreign Desk)--The revolution leader of Iran, Ayatollah Khomeyni, is suffering from palsy in his hands. According to news reports, a party of foreign physicians is treating him. The palsy is in its initial stage but the physicians do not say anything convincing about the possibility of the recovery of his health. /Text/ /Lahore JANG in Urdu 22 Dec 85 p 1 GF/ 12228

THEOLOGIAN URGES RELEASE OF CAPTIVES--Beirut, Dec 28, IRNA--The Friday prayers leader of Imam Reza (AS) Mosque in southern Lebanon, [Allamah] Muhammad Husayn Fadhlallah, in his sermon, urged the Lebanese Christians to unite with Muslims to crush the Zionist enemy. Further in his speech he said that Lebanese crisis would be solved through an all out struggle against the Zionist regime. Referring to the situation of those kidnapped and missing in Lebanon, he condemned kidnapping and called for the release of all those abducted. Further on the same subject, he said that while world media had given an extensive coverage to the kidnapping of foreigners in Lebanon, there was no mention of the Iranian citizens who have also been kidnapped in that country. He urged the kidnappers to free their captives on the occasion of the new Christian year. Meanwhile Shaykh 'Abd al-Amir Qabalan, speaking in the Friday prayers of Imam Husayn (AS) Mosque on Borj al Barajneh, southern Lebanon, said that Muslim people of southern Lebanon, that in addition to those Muslims who have been massacred and tortured, a large number of them were missing and captive and there is no information on their whereabouts. [Text] [Tehran IRNA in English 1104 GMT 28 Dec 85 LD] /12858

KHAMENE'I TO VISIT ASIAN, AFRICAN COUNTRIES--Tehran, Dec 28, IRNA--President 'Ali Khamene'i is to visit several yet unspecified Asian and African countries in the near future, said informed sources here Saturday. The visit will be in response to invitations extended by the heads of states of these countries to President Khamene'i. Political analysts have termed the visits "important". In September 1984 the president of Iran led a high-ranking delegation to member countries of the steadfastness front Syria, Libya and Algeria. This time, too, the president's Afro-Asian tour will be in accord with Iran's long-standing policy of promoting cordial and far-reaching ties with Muslim and Third World countries. [Text] [Tehran IRNA in English 1805 GMT 28 Dec 85 LD] /12858

LARGE MINE EXCAVATED--Excavation on the Chador-Melo iron ore mine in Yazd Province has been completed. The mine, which is the biggest discovered known iron mine in Iran, is expected to produce 400 million tons of iron ore, of which 58 percent is pure iron ore, 92 percent phosphate, and .175 percent sulphur. According to primary findings the concentrated iron ore taken from this mine can be used by itself in the steel industries. Its derivatives can also be used in various stages of the steel industries, petrochemical industries, and in the production of chemical fertilizers. /Summary/ /Tehran Domestic Service in Persian 0430 GMT 18 Dec 85 GF/ 12228

GOODS, SERVICES INDEX FOR JUL-AUG--The price index for consumer goods and services in the urban areas of Iran for the month of Mordad 1364 [23 July - 22 August 1985] in comparison to the previous month decreased 0.9 percent. This index shows a two percent increase over that of the similar period of last year. According to IRNA as quoted from the publication of the statistics office of the Central Bank of the Islamic Republic of Iran, the price index of major foodstuffs, which was affected by a drop in the price of fresh fruits and vegetables, dropped nearly 3 percent. As indicated by the same report, as a result of a new supply, the price of most cereals took a downward slope, however the index of dairy products and eggs--which increased in price--caused an increase of about 2 percent in the price of milk, cheese and curdled or coagulated milk. Likewise, the same report indicates that the price index of tobacco products showed a 2 percent drop and among non-foodstuff items, the price of most clothing items followed a slight drop. [Text] [Tehran BURS in Persian 15 Oct 85 p 2] 12719

CSO: 4640/120

PAKISTAN

JUNEJO, YAQUB KHAN SPEAK ON FOREIGN POLICY

BK291202 Karachi Domestic Service in English 1700 GMT 28 Dec 85

[Excerpts] The Prime Minister, Mr Mohammad Khan Junejo, told the joint session of parliament--Majlis-i-Shoora--in Islamabad today that his government will continue to strive with honesty and sincerity to see that Pakistan's foreign policy corresponds to the feelings and sentiments of the people and maintains the ideological identity of the country. Speaking at the end of the 5-day debate on the foreign policy, the prime minister declared that his government was the elected government of the people and its foreign policy corresponds with their aspirations. He assured the 90 million people of Pakistan that his government will not undertake any step which did not enjoy the acceptance and support of the people.

The prime minister said we cannot lose sight of the fundamental fact that Pakistan was not merely a geographical but also an ideological entity and was the realization of the Allahma Iqbal's [Pakistani poet] dream about the bright future of the ummah [community] and was achieved under the leadership of Quid-e-azam Mohammad Ali Jinnah. Its future was, therefore, inseparably linked with the Islamic ideology and no policy, whether internal or external, political or economic, could ignore this fact.

The prime minister pointed out that Pakistan had always pursued an unambiguous policy in regard to the Islamic world and espoused the cause of the Muslim nations from every platform. This includes the question of restitution of the legitimate rights of the Palestinians and return of our Afghan brothers to their home. It had demanded an immediate end to the injustices and exploitation to which Muslims have been subjected. He declared that Pakistan will continue all possible efforts in this regard and expand its relations with Islamic world.

About Pakistan's relations with China, the prime minister recalled that while the members have expressed opposing views on a number of issues, on the subject of relations with China all members had remained unanimous in their views and statements. He said tremendous tributes have been paid to China for strong, stable, and worthy friendship with Pakistan. He recalled that China had stood by Pakistan in every test and had given its all possible assistance. Pakistan was proud of its friendship with China. It was for this reason that after assuming office as prime minister he had decided to undertake his first foreign tour to China.

The prime minister emphasized that his talks with the Chinese leaders had convinced him that Pakistan-China friendship was not only in the interest of the two countries but was also a guarantee for peace and security of the region.

On Afghanistan, the prime minister referred to the wide ranging comments made by members in their speeches and said they could not ignore the Soviet military intervention in our neighboring Muslim state of Afghanistan. It had not only brought untold miseries to the people of Afghanistan and forced one-third of its population to take refuge in Pakistan and Iran, but has posed a serious danger to the security and stability of the whole region, especially Pakistan.

The prime minister underlined the justness of Pakistan's stand on the Afghanistan question and said the support of 122 UN members was ample proof of the world community for this stand.

Referring to the indirect talks on Afghanistan in Geneva, the prime minister said there was no justification for the insistence of other side for direct negotiations on the withdrawal of foreign forces from Afghanistan. He said the debate in house would have convinced the Soviet Union and the Karmal regime that the people of Pakistan were united in the demand for the return of Soviet forces from Afghanistan. He declared that if the Soviet Union was really prepared to withdraw its forces from Afghanistan, Pakistan too will fulfill its obligations.

On Pakistan's relations with the United States, the prime minister said these had gone through ups and downs, but had on the whole been mutually beneficial. He said the United States endorsement of Pakistan's stand on Afghanistan, as well as its assistance had been a source of strength for Pakistan's independence and stability. He said his government viewed this policy of the United States with appreciation and desired to further strengthen mutual cooperation with it on the basis of principles. He, however, assured the house and the people of Pakistan that the government would keep the interest of the country and the nation uppermost.

About relations with India, he said his government would further endeavor to improve relations with India and make sincere efforts for the process of the negotiations between the two countries on issues awaiting settlement in the wake of President Mohammad Ziaul Haq's meeting with the Indian Prime Minister, Mr Rajiv Gandhi, on the 17th of this month. Trade and economic cooperation, he added, would be conducted on the basis of mutuality of benefits and the government will fully protect Pakistan's industry. He said Pakistan had neither accepted one sided trade in the past, nor will it do in future. The government, he added, would not compromise on principles.

Referring to question of Jammu and Kashmir, the prime minister said Pakistan fully expects that improvement of relations with India would create an atmosphere for the just settlement of this question. Pakistan, he said, abides by the resolutions of the United Nations and Simla Agreement. He expressed his belief that the solution of Kashmir issue would further widen the path toward peace and mutual cooperation.

The prime minister's speech was applauded with repeated thumping of desks.

Winding up the debate on the foreign policy, the Foreign Minister, Sahabzada Yaqub Khan, explained its genesis and said it had to be rooted to the country's basic and permanent interests, in the particular, geopolitical and ideological situation.

About the suggestions by the members that the foreign policy should be active rather than reactive to events, he said the distinction between the two was clearly artificial. He pointed out that Pakistan had not been responsible for many of the events around it, including the Afghanistan problem, but it had to react to them when they took place.

About the demand that Pakistan's foreign policy should be based on equidistance from the two superpowers, he pointed out that out of the 104 countries who are now members of the Nonaligned Movement, only 4 or 5 could be identified as maintaining equidistance from the superpowers. The majority of them were leaning in one direction or the other. He emphasized that nonalignment was essentially the desire of a country not to allow itself to be used as an instrument by one power or the other.

He said Pakistan-American relations now have entered a new and maturer relationship which was based on reality. He said it was clear that the interests of the country were (?converging). He made it clear that this new relationship did not make Pakistan an instrument of American policy on Afghanistan. Pakistan's stand on Afghanistan was spelt out 2 years before the signing of an agreement for assistance between the two countries. He said relations with the United States will not make any difference on Al Qud, Palestine, nuclear policy, friendship with Iran, and Third World issues. He said our defense is our own responsibility and we cannot rely on a total security guarantee from any other country.

After the prime minister's speech, a motion moved by Hazi Shaifullah Khan saying that the views and suggestions by the members of parliament during the discussion of the country's foreign policy be presented to the government for consideration was adopted by the house. The house has now adjourned to meet on Monday morning at 0930 [0330 GMT].

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CSO: 4600/158

PAKISTAN

MINISTER OUTLINES FOREIGN POLICY TO PARLIAMENT

BK280904 Karachi Domestic Service in English 1700 GMT 27 Dec 85

[Excerpt] The joint session of parliament continued its debate on the foreign policy in Islamabad this evening on the 4th day. Taking part in the debate, the Federal Finance Minister, Dr Mahbubul Haq, said that maturity had been the hallmark of Pakistan's foreign policy during the recent years. Referring to the Afghanistan problem, he said there was no [word indistinct] solution available to this problem. About the suggestions for direct talks and for the recognition of the Karmal regime, he said it could have been possible for Pakistan had the Soviet troops left that country. Pakistan could recognize any regime elected by the people of that country after the withdrawal of foreign troops.

Dr Mahbubul Haq said one of the best developments for a long time had been the positive turn in Pakistan's relations with India. It was time for us to bury the harvest of bitterness and cultivate a new harvest of hope not only with India but with the countries of the South Asian region. He dispelled fears that as a result of closeness in relations India was going to overwhelm Pakistan economically. The economic package he was going to discuss with his Indian counterpart next month would make sure that every industry and every business activity in the country was fully protected and there was no disruption whatsoever in any talk of its economic life. He would also ensure that extra benefits flowed to the people of Pakistan out of the agreement they would conclude. He assured the members that once they had been through these negotiations they would take this house into full confidence on the matter.

He referred to the suggestions made by some members to get rid of foreign loans and said these loans had in fact greatly strengthened the economic structure of the country. He said as a result of the [word indistinct] they had received from their friends, Pakistan was finding itself in a position of strength rather than a position of weakness or subservience in its relations with its neighbors in Asia. Its defense capabilities had been buttressed, giving it a new respect in Asia. It had the highest per capita income in the whole of the South Asia. It was now in a position to offer economic assistance to some of its friends and allies in the SARC [South Asian Association for Regional Cooperation] region.

He said this military and economic strength had been built by the hard work and toil of our masses and pragmatic policies of the government. But he reminded the members that they had also been due to the military and economic assistance given by the United States to Pakistan. He assured the members that while accepting this assistance, Pakistan had not for a moment compromised on principles to ensure its sovereignty and equality of its relationship with the United States.

Referring to the Middle East, he said Pakistan had played a constructive role in bringing unity in the ranks of the Arab world by bringing Egypt in the fold of ICO [Islamic Conference Organization].

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CSO: 4600/158

PAKISTAN

INDO-U.S. COLLUSION ALLEGED IN 'BOMB CAMPAIGN' AGAINST PAKISTAN

Karachi JANG in Urdu 9 Nov 85 pp 3, 14

[Text] The well-thought-out campaign that Indian Prime Minister Mr Rajiv Gandhi began against the Pakistani nuclear program a few months ago has reached its zenith. In 1971, India used the issues of violation of human rights and refugees to make Pakistan look guilty in the eyes of world public opinion. Our friends were put in a difficult spot and, despite their desire to help us, they were afraid to come out on our side. This is the wonder of political governments that in any situation they find ways to attain their national interests. In 1971, India played the card of refugees coming from East Pakistan very expertly and now it has raised the bogey of the Pakistan atomic program with so much success that Pakistan is left with no alternative but to resort to explanations. We know the weaknesses of nonpolitical regimes. In 1971, Pakistan was the country from which refugees had left. Within 9 months, India had not only inflicted a military defeat on Pakistan but also washed its hands of responsibility for the refugees. Against this, in 1978, Pakistan became the host to refugees. Six years have passed, and we have neither sent the refugees back nor have we taught a lesson to Afghanistan. If today Kabul has the backing of the Soviet Union, then in 1971 Yahya Khan, too, claimed the support of America. Even today we swear by the pro-Pakistani attitude of Nixon and Kissinger. To this day it is not known what they accomplished. War on the western front was stopped following a call from Brezhnev, and East Pakistan had been occupied by India. Meanwhile, America is our friend, and the blessings of our nonpolitical regimes amount to this. If, as in 1971, refugees go from our country, we are punished and if, as in 1978, refugees come to our country, we are still punished.

The atomic argument has now reached a critical stage. The fact is that with its 1974 atomic test, India has acquired the capability of making a bomb. But it has made such an issue of the Pakistan atomic bomb, of which there is not a trace, that even our best friend, America, is afraid of coming to our side, and our tested and tried friend, China, thinks it best to take refuge in silence. Our loneliness in the world on the subject of an atomic program is no different than our loneliness in 1971 on the issue of refugees. At that time, too, America agreed on the seriousness of the problem and the Indian wishes to resolve it. Only over the means there was a difference of opinion. Today, too, America shares the Indian concern over the Pakistan

atomic bomb and both are agreed that Pakistan should be prevented from building the supposed atomic bomb. In 1971, too, friends of Pakistan were reluctant to support us on the question of violation of human rights and today, too, they find themselves helpless in supporting us on the issue of building an atom bomb. So far as there is the question of making an atom bomb, the people of Pakistan are under no illusions. This nation has suffered a great tragedy. It knows full well the complete story of the reprocessing plant and the nature of the present regime. Why would a government that has made the offer of a friendship pact to India build an atom bomb? What are the reasons for doubting President Zia Haq's statement that Pakistan is not building an atom bomb? America, as well as India, knows full well that Pakistan's atomic program is only for peaceful purposes. THE NEW YORK TIMES wrote only last week: "Officials of the Reagan administration have privately admitted that they do not believe that Pakistan is making an atomic bomb." Despite all this, why is this campaign going on? The answer to this question can be obtained only by analyzing the respective interests of India and America.

India is reaping immense advantage from the atom bomb campaign. Notable among these are: 1) A Pakistani atomic program is a stick with which America is continuously being beaten. Public opinion in America, as well as in western Europe, is being mobilized against the so-called Reagan administration's policy of tilt towards Pakistan, especially the Jewish lobby that supports Israel. As a result, the Reagan administration has been put on the defensive, and it is obliged to be cautious in its dealings with Pakistan. It has very important consequences. 2) Under cover of this campaign, India rapidly advanced its own atomic program, and it would not be surprising if it has already made the bomb. (This is very important.) 3) This campaign is being used to suppress internal opposition in India. 4) World opinion has been prepared for an attack on atomic facilities of Pakistan, and it has been seen to that in case military action is taken against Pakistan in the name of knocking out atomic installations, no one will come to the aid of Pakistan. In this context, it is enough to note that even after the disclosure of Indian plans to attack Kahuta, neither America nor China has yet said what they would have done in the event of an Indian attack or what their reaction would be in case of an attack in the future.

There is only one danger in this last contingency, and that is the reaction of Pakistan. It is true that in reply the foreign minister has threatened a full-scale war. In 1971, Yahya Khan personally made such a threat, and India witnessed its reality. But I feel that today conditions are very different. This time, in case of an attack, Pakistan can surely inflict huge losses on India, and the clock in the subcontinent can be put centuries back. It is another matter that destruction is no guarantee of freedom's safety and that this is not a proper choice. But there are several other possibilities. Sahibzada Yaqub Khan says that an attack on Kahuta will be considered a full-scale attack. A few days back, in a press conference in New Delhi, while speaking on a proposal for mutual inspections, Mr Rajiv Gandhi said, "It is not necessary for Pakistan to keep in its centers the uranium needed for building the bomb. It can be hidden anywhere." If our honorable foreign minister examines this in the light of his military experience, he will

realize that India has gone beyond the limit of merely attacking Kahuta. Now it has got the option of attacking any place. All it has to say is that "in this place there was a store of bomb-grade uranium." Now the danger is not merely of an attack on Kahuta. Very skillfully India first started the atom bomb campaign and now, in this context, it has made all of Pakistan the target of its attack. Modern battles are fought on the political front. India has cleverly played the card of a Pakistani atom bomb. Now if it wants to embark on aggression, then Mr Rajiv Gandhi has already won half the battle through his political moves. He has obtained an agreement on the principle of stopping Pakistan from building an atom bomb and, interestingly enough, America has reverted to the position of 1971. Then it accepted secession of East Pakistan. Only on the means did it have differences with India. Today, it accepts the principle of stopping Pakistan from building an atomic bomb. Today, too, the differences are only over means. In my opinion, the differences today are much narrower than in 1971.

In this context, that innocent remark by Mr Rajiv Gandhi is meaningless where, while expressing his amazement, he stated: "President Reagan said to me that you should stop Pakistan from building an atom bomb before the Pakistani atomic program reaches a point of no return." Rajiv Gandhi said, "I do not understand what the President meant by this." One cannot help applauding the cleverness of this innocence. Full of warning as the remark was, more dangerous were the explanations offered by America. The remark was made by President Reagan on a personal level with the administrative head of India, but the explanations have been issued on lower official levels. Even these explanations do not deny the remark. Only the interpretations are said to be different. In other words, there is no dispute at all over "stopping Pakistan." In a recent issue of THE NEW YORK TIMES, the above remark by President Reagan is presented like this: "We must not allow Pakistan to reach a stage from which it is not possible to come back." These remarks are by the American president. There is no question that India will have any disagreement with this. This agreement between these two powers can become the basis of a big step.

If, according to THE NEW YORK TIMES, even officials of President Reagan's administration know that Pakistan is not building an atom bomb, then why is the American government becoming a party to this "bomb campaign"? The answer to this is very simple. Pakistan is not in the list of permanent interests of America. These regions start from west of the [Persian] Gulf. Israel is the center of American interests in the region. There is no doubt that Pakistan has acquired enough capability and expertise in the atomic field. If not today then tomorrow, if a political decision is taken, our scientists are in a position to deliver a bomb. A Pakistan atom bomb is a death knell for Israel. America will not court this danger under any circumstances. The American concern is that, taking advantage of the present conditions, guarantees should be obtained that Pakistan will never be able to build a bomb in the future and, in case it does want to build the bomb, the big powers should have the right to stop it by force. This is a serious conspiracy against Pakistan. This is a bigger conspiracy than even the effort to destroy the reprocessing plant. This plan is obviously in accordance with the wishes of India. That is why it started the bomb campaign. It is not

too farfetched to believe that India may have obtained American consent before starting this campaign. This suspicion is not misplaced. The final question is whether, to prevent Pakistan from building an atomic bomb, world intimidation will be brought to bear to shackle Pakistan to agreements or force will also be used. Here there may be a difference between the positions of America and India. It may be that America hopes, by making Pakistan friendless in the world, to scare it into accepting any kind of agreements to go without an atom bomb. Obviously, it is also China's interest that, under the influence of the idea of a bomb-free zone, an idea that has emerged in the course of this controversy, India may provide world guarantees for not building an atom bomb. This should be its natural reaction. But there is no salvation in this for Pakistan. Keeping in view its claims of friendship, we can accept that America wants to limit the "bomb campaign" merely to pressure us so that Pakistan will accept atomic restrictions forever. But will this be the objective of India also? It is difficult to believe this. India feels that in view of the atmosphere created as a result of the "bomb campaign" it will not face any significant opposition if it takes steps to destroy Pakistan's military power under cover of knocking out atom bomb installations. This impression is fraught with dangers. In view of India's mentality, there is lot of temptation in this. It should be kept in mind that in 1971 Mrs Gandhi had given orders to the military commanders that "military power in West Pakistan should also be destroyed." A friendly ambassador had accordingly passed it on. This action was stopped as a result of a telephone call from President Brezhnev. But, today, conditions are different. America agrees with the basis for attack which India has created. And how are our relations with Moscow? It will be enough to note that until 1971 Moscow had never accused Pakistan of killing any Soviet soldier. From this, one can realize what kind of dangers are threatening the country. The conspiracy to finish Pakistan's atomic option once and for all is now complete. America wants to achieve this objective without destroying Pakistan's military power. India will definitely wish otherwise. On the basic objective, both are in agreement.

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PAKISTAN

CONCERN EXPRESSED OVER ARMS MOVEMENT FROM AFGHANISTAN

GF291244 Karachi DAWN in English 25 Dec 85 p 7

[Editorial: "Guns and the Tribal Areas"]

[Text] In a surprising show of candor, the interior minister revealed to the National Assembly the other day that some 300,000 sophisticated rifles of Russian and Chinese origin have found their way into the federally administered tribal areas and Dir. In addition to this huge arsenal, other weapons, such as anti-aircraft and anti-tank devices, have also filtered into the tribal areas from Afghanistan. The minister tried to absolve the government of any blame for permitting this alarming situation to arise by using the convenient argument that its writ does not extend fully to these parts of the country. In the same vein he referred to the peculiar situation there and the long border with Afghanistan which, he said, made it difficult to control movement properly. As far as this peculiar situation is concerned, it should be pointed out that giving refuge to Afghans fleeing from their homes never meant that this country would have to reap such a deadly harvest of weapons in the process. While people sympathise with the Afghan refugees, this feeling can obviously remain unaffected only so long as the refugees themselves respect local customs and the country's laws.

One by-product of the influx of Afghans has been the injection of large quantities of sophisticated weapons--although it is difficult to say whether the interior minister's assessment of the number is correct. These weapons have either been brought in from Afghanistan, or have been diverted from the supplies that have been sent by other countries for Afghan fighters. The Pakistan Government's responsibility is attracted in either case. It is less than convincing to claim that the government's writ does not run in those areas. This is a curious plea to take by a military government which has not hesitated to adopt the toughest methods in dealing with situations involving public peace and order and in tackling its political opponents. Indeed, if the recent Kukikhel operation is any pointer, the authorities should have been able to bring matters under control in the tribal areas and adjoining places like Dir. Also, it should be pointed out that any attempt to control influx of weapons would lead to a clash is incorrect. If proper organization, screening and checking on the border had been instituted, then much of the weaponry could have been stopped from entering the country relatively painlessly.

The existence of illegal guns in such large numbers has obviously made an impact throughout the country. Even small-time criminals who would previously be content with owning an antiquated weapon are now in many cases armed with sophisticated guns--often better than those owned by the police, which fact the police are learning the hard way. Others who are not criminals have also come to own such weapons, examples being some students or politically minded gentlemen. All in all, a new situation has been created in society, and one that has an awesome destabilizing potential. Even now a visible increase in daring crimes and the resulting insecurity have a lot to do with a flourishing illicit gun trade in the country. A point has been reached where it is no longer sufficient for the government to issue vaguely placatory statements, as the interior minister did in the Assembly the other day. Some resolute action will have to be taken, and the tribal areas can by no means be treated as out of bound for such action. For one thing, the trade in arms must be stopped immediately, regardless of whether certain sensitivities are bruised. Besides this, the government must take immediate steps to ensure that arms are no more as easily despatched to the rest of the country from the tribal areas. Here, again, certain sensitivities may be involved, but considering the impact that this huge trade in arms is having over the rest of the country, these will have to be disregarded. By permitting so many arms to exist illegally in the country this government will be leaving an extremely dangerous legacy. It must now take strict measures to at least mop up some of these arms and prevent the entry of more.

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CSO: 4600/158

PAKISTAN

REELECTION, REINSTATEMENT OF PARTIES URGED

GF181734 Rawalpindi HAIDAR in Urdu 14 Nov 85 p 3

[Editorial: "Interim Elections"]

[Text] President General Mohammad Ziaul Haq addressed a news conference in Hyderabad and stated that those political parties which did not participate in the 1985 elections should work hard and prepare themselves for the 1990 elections. He told the MRD [Movement for Restoration of Democracy] that its members wasted an opportunity by boycotting the 1985 elections and that they will now have to wait until 1990.

The president's proposal is in response to the demand that elections be held on a party basis after the restitution of political parties but before the expiry of the tenure of the present National Assembly. He has blamed the parties that comprise the MRD for not availing themselves of the opportunity to participate in the 1985 elections. It would be superfluous to point out to President Ziaul Haq that the MRD had not deliberately boycotted the elections, but had been forced to by the measures taken by the martial law government--which were in contravention of the 1973 constitution. One of these measures was the referendum held in December 1984 which brought nationwide disgrace. It proved however, that a majority of the people support the MRD stance and do not favor delegating maximum power to one individual to amend and distort a constitution approved by the Supreme Court as the highest legal charter in the country under which all future elections were to be held.

Since the MRD believes that restoring the 1973 constitution is sacrosanct and considers upholding it a democratic duty and in the national interest, the MRD preferred to keep aloof from the general elections held in an unconstitutional manner. Thus a precedent was created which strengthened the cause of the struggle for democracy. This resulted in a new awakening of political acumen among the people, however subliminal, but which is forcing martial law to terminate its sway. The role played thus far by the National Assembly--which has been the result of rather imperfect elections, as they were non-partisan--has not been very effective in meeting national demands under the 1973 constitution.

We feel that these problems crop up because of a lack of a national bias, the natural accompaniment of nonparty elections which do not enjoy the support of

those political parties which have made the military government admit that the country's territorial integrity and stability demand a restoration of democracy.

It cannot be denied that a democratic system that enjoys the popular support of the nation is imperative for the country's security. We consider it justified to demand interim elections on a party basis during the present circumstances and we vociferously endorse such a demand to achieve this lofty objective. We reiterate that as soon as political parties are reinstated and their infrastructure finalized, fresh elections must be held immediately. The process of lobbying for members and presenting fresh manifestos can take as little as a year. Thus fresh elections could be easily held in the beginning of 1987. If the esteemed members of the present National Assembly agree to interim elections, their concession will not be in vain. They will have earned the gratitude of the entire nation for blazing a path toward a national compromise.

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CSO: 4656/38

PAKISTAN

DHAKA PAPER VIEWS PAKISTAN'S MARTIAL LAW

BK021648 Dhaka THE BANGLADESH OBSERVER in English 31 Dec 85 p 5

[Editorial: "Democracy to Take Root"]

[Text] Martial Law goes in Pakistan. The third and the longest period of military rule in the 37-year history of Pakistan came to an end on December 30, just a day ahead of the beginning of the new year. Amidst speculations at home and abroad as to whether things would shape, politically, in accordance with the hope raised by the assurance given by Ziaul Haq earlier in the year, it came. The transition to civilian rule remains substantiated by such changes as the appointment of the first civilian governors of Pakistan's four provinces since the coup of 5 July 1977.

One way to react to the reported change is: better late than never. The way the Pakistani people, particularly the political opposition, have taken it is yet to be known in full detail. It can however be assumed that a general sense of relief is likely to be felt all over the country, not untempered, perhaps, by the anxiety that General Ziaul Haq still retains enough presidential powers, earlier secured by a bill in parliament, which may take away, to some extent, from the quality of a true democracy. But considering the non-too-easy-going eight-and-half years of martial law and the graduated process of an election (on a non-party basis), a parliament made up of elected representatives and the whittling down of the feared rigours of sharia law, crowned with the withdrawal of martial law, the change is remarkable. It is so not only by the Pakistani standard but also by that of those countries in similar conditions around the world.

The reason for optimism about the growth and consolidation of democratic institutions in Pakistan is provided both by the fact that martial law is no more and the presidential powers are shown of the leverage of military authority and, let us hope, the basis of the fundamental rights of the people, freedom of the press and parliament will have been enlarged. With these ensured, the change will make a considerable difference to the past. This may also create the climate in which political parties could work more freely and go ahead with the fundamental democratic need for building up a viable opposition capable of providing an alternative government in a contest in the future. It need hardly be said that the country that has been through three martial laws in thirty years the greatest need is so to develop consensus based and representative government as to obviate once and for all the possibility of repetition military rule.

The change in Pakistan also provokes thinking, in terms both of prospect and retrospect, about the overall political situation in individual countries of the sub-continent, particularly those which came into being in the wake of partition in 1947. The original two countries--India and Pakistan--became three sovereign independent entities with the emergence of Bangladesh in 1971. Politically speaking, except in India which drew up a constitution in 1950 making for representative rule, based on the popular vote, in Pakistan, in its own time, or in Bangladesh, in its [as published], democracy has had no chance to thrive. The beginning just made (of a second round in democratic change in Pakistan) and the promised transition in Bangladesh to civilian rule (which must not take too long to come, with the preparation under way) the overall outlook seems hopeful.

In a more critical perspective of history the problem both of political instability in the form of continuing or recurrent non-civilian rule, as in Pakistan or Bangladesh, and of the growing instability and strained relations between the centre and the states in India, may be traced back to the fact that at the time of withdrawal of the British from the sub-continent there was no firm constitutional arrangement (in the form of a parliament-passed law) on the basis of which the newly-emerged independent countries would run themselves. And in India and the other two countries (Pakistan and Bangladesh) the fundamental problem has over the whole period been one, either of a constitution not being framed and worked (Pakistan and Bangladesh) or the lack of a constitutional provision (India) that would share with the states powers enough to prevent any future movement by the latter for the same. Over-centralization of powers in India has produced her modern problems. Lack of a viable constitutional government in either Pakistan (old or new) or Bangladesh has created theirs. May one, without calling in question the inevitable decisions produced by the exigencies of history, as in 1947, refer the student of the political history of this sub-continent to the failed Cabinet Mission plan of May 25 of 1946 providing a solution to the then insoluble-looking problem of a very complex political situation? This is not to say that one would walk backward in history but to draw the lesson that without a democratic constitution carefully written and used as the foundation of representative government it will take long for democracy to take root in our part of the world.

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CSO: 4600/158

PAKISTAN

INCREASED GUN LICENSE FEE SEEN AS FACTOR IN CRIME

Karachi JANG in Urdu 23 Oct 85 p 3

[Article by Pir Ali Mohammad Rashdi in the column "East and West":
"Increase In Gun License Fee and Necessary Consequences"]

[Text] Important people have ambitious dreams, but the dreams of the poor do not go beyond "dal-bhat" (lentils and rice). For example, the elected representatives of the people are busy with constitutional problems. But the farmers are concerned with protecting their homes against burglars and their fields from incursions.

In this connection a new threat has come up. News reports state that the elected representatives are increasing the annual license fee for possessing guns from 50 rupees a year to 1,000 rupees. It is hoped that this is nothing more than a rumor; otherwise, it will become legally impossible for poor citizens to own a gun to safeguard their homes and the farmers to protect their fields.

Everyone is aware of the frequency of crime, and it is not advisable to comment publicly on this issue. This not only affects the good name of the police, but the government of the elected representatives also risks staining its popularity. To be fair we will have to acknowledge that the police, on its part, is doing all it possibly can. The number of policemen who lost their lives fighting bandits during the past 18 months, in my opinion, is more than the people killed in peacetime during the whole British reign. A strange notion is found among the people during this period. In the old days, people were afraid of the police. Now it is considered an act of virtue to kill the police or, in other words, people wearing uniforms of law enforcement officials. To find out the reason for this change in attitude is the responsibility of the government of the elected representatives. They should find out why their administration, of which the police department is also a part, has lost its self-respect and dignity, to the extent that a criminal or even an ordinary individual takes so much pleasure in killing its men, something which till only a short time ago was beyond one's imagination. They should also think about how an administration which has lost its control over its people or which, for some reason, no longer enjoys the respect and honor of its people can bring peace and tranquillity to its people. The question which then arises is what should be

done. Martial law has been in effect for the last 8 years, military courts are functioning, colonels can sentence people to death and majors can inflict punishment by flogging in public, and the fines are said to have reached hundreds of millions of rupees. Despite all this, no appreciable change has taken place. Criminals, instead of fearing, have begun to hate the officials of administration. What can be the reason for this kind of behavior? It appears to me to be some kind of psychological ailment for which a scientific method of treatment will have to be devised.

(2)

The methods of treatment so far proposed by the officials of the police department have been, to a great extent, inadequate and have proved to be ineffective. The police have made every possible effort to solve this problem. But it seems that there is some basic deficiency in their diagnosis that they are unable to treat the patient successfully. Previously, stealing cows and goats in the villages was considered a big crime. But the same people who once stole cows and goats are now kidnapping human beings and are making hundreds of thousands of rupees by holding them as hostages. In the old days, even the most simple crimes were committed in remote places far away from police stations. But now everyone is well aware of the incidents that are taking place in cities like Karachi and Rawalpindi.

Today no place can be said to be safe and secure.

(3)

Everyone appears to agree that the following are reasons for the fearlessness of bandits and the abundance of crimes:

1. Illegal imports of Kalashnikov rifles and other sophisticated weapons,
2. Easy access to bomb formulas,
3. Facilities available to criminals to settle in big cities,
4. Free flow of traffic between provinces without any restrictions as to permits and identity cards,
5. Routine increase in the perquisites and living standards of police officials,
6. Something that is found in some places and is commonly known as "monthly" or "allowance" (This clue should be sufficient for the wise to come to a conclusion.),
7. Due to political reasons, leniency and affection shown in some places under certain conditions to professional arms smugglers (people trafficking in arms brought from abroad).

These are not things that the administration cannot stop. During Chiang Kai-Shek's regime, conditions in China were much worse than they are here today. But the new government, within 6 months of taking office, solved all

the prevailing problems. Isn't it possible for us to send some 10-15 police and some civilian officers to China to learn the techniques of preventing trading and dangerous, illegal smuggling of arms and how these can be prevented from reaching cities? If we were to ask China, it would send some of its trained officers to Pakistan to give the necessary training to our officers.

(4)

There is yet another aspect of this problem. God forbid that the passion of disruption and subversion should reach extremes inside the country and an external enemy attack from outside. In such a case, the question is whether hundreds of thousands of illegally smuggled arms lying scattered all over the country will be used against our country or in its interest, while the local population will have nothing more than outdated, broken-down weapons. I wish that some high-level meeting would discuss this problem, on which it is not possible to write openly. It may be stated that during the last world war, at the Russian front of Leningrad, the civilian population defeated the Germans with their own local weapons. The defeat was so devastating that the German soldiers could not hold their own on any front. History teaches us that soldiers can recover from defeats inflicted by other soldiers, but it is practically impossible for soldiers to recover from defeats sustained at the hands of the people.

(5)

The license fee issue raised recently in our country should be considered in this context. Some points in this connection that deserve attention are:

1. Most free people have a constitutional right to be armed; in other words, they should possess arms to safeguard their lives and property.
2. We have deprived our people of this constitutional right. The administration has kept for itself the authority of issuing arms licenses and is very stringent in issuing such licenses.
3. Peaceful citizens in this country have to abide by and be dependent on the licenses issued by the authority. They have to undergo considerable hardship before they can obtain licenses. On the other hand, a citizen with disruptionist tendencies is free from restrictions laid down by licenses and can buy as much and any kind of arms he likes on the black market, use them without any hesitation, and keep them hidden in his possession.
4. The English, despite being foreign rulers, were liberal with regard to their arms policy. For example, during the British regime, licenses could be had without payment of any fee, and distinguished people could purchase any kind of arms except cannons without any license. Later on, when payment of a fee became a practice, it was never raised about 5 rupees for guns. Now, by the grace of God, our country is free and the rulers are own compatriots, but the prevailing situation regarding the license fee is not hidden from anyone.

5. If the rumors that the license fee will be increased from its present level to 1,000 rupees annually are true, it will become impossible for peaceful citizens with ordinary income, especially farmers, to pay this fee and be able to obtain a license. They will no longer be able to defend their homes from burglars and bandits and their farms from swine.

6. The overall effect of such a policy will be that illegal trading of arms will increase.

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PAKISTAN

BRIEFS

JAPANESE AID AGREEMENTS--Under two separate agreements, Japan will provide with more than 300 million rupees for augmenting agricultural production in the country and utilizing subsoil water resources. In this connection, the documents were exchanged by the Japanese ambassador in Pakistan and the secretary general of economic affairs division in Islamabad today. [Excerpts] [Karachi Overseas Service in Urdu 0800 GMT 26 Dec 85 BK] /12712

COOPERATION ACCORD WITH ROK--Pakistan and the Republic of Korea have signed the first agreement for 2 years on cooperation in science and technology. This agreement includes cooperation in various fields of modern technology and contact programs between research and development organizations and various joint projects on research and development. The agreement was signed in Islamabad today by the secretary in the Ministry of Science and Technology and the director general of Ministry of Science and Technology of Korea. [Text] [Karachi Domestic Service in Urdu 1500 GMT 23 Dec 85 BK] /12712

KHUNJERAB PASS TO OPEN--Khunjerab pass will be opened for foreign citizens who wish to travel by road between China and Pakistan beginning 30 April this year. These citizens will have to obtain visas for this purpose. This will apply to citizens of countries that have a visa exemption agreement with Pakistan or China. [Text] [Karachi Domestic Service in Urdu 0200 GMT 3 Jan 86 BK] /12712

JORDANIAN AIR CHIEF VISITS--The Jordanian Air Force Commander, Major General (Ehsan H. Shurdun), arrived in Rawalpindi this afternoon on a weeklong visit to Pakistan. The Chief of the Air Staff, Air Chief Marshal Jamal Khan, received him at the Chak Lala Airport. [Excerpt] [Karachi Domestic Service in Urdu 1500 GMT 5 Jan 86 BK] /12712

DIRECT DIALOGUE WITH KABUL URGED--Karachi, Dec 27: The Sind Working Committee of the defunct Pakistan National Party (PNP) has demanded that the Geneva talks on the Afghanistan issue should be done away with and, instead, Pakistan recognize the Karmal regime and enter into a direct dialogue with it to settle the problem amicably. In a resolution, it said the Pakistan Government's policy on the Afghanistan problems was "unstatesmanlike" and posed a potential risk to the country's unity and integrity. An early settlement of the Afghan problem was in the interest of Pakistan as it would facilitate the honorable return of the Afghan refugees who according to it, have become a burden on the national economy. [Excerpt] [Karachi DAWN in English 28 Dec 85 p 10 GF] /12712

EXILES SENTENCED IN ABSENTIA--Islamabad, Dec 28 (AFP)--Special military courts today sentenced 86 exiled opposition militants to four to 14 years at hard labor and confiscated their property here, officials said. Court officials said the opposition figures were convicted on charges of terrorism and other unspecified anti-state activities, and accused them of fleeing abroad to avoid trial. The verdict came two days before the scheduled end of martial law here on December 31, but observers said the ruling could mean that a partial ban on opposition activities would not be lifted. Among the convicted exiles was an alleged founder of the anti-government Al Zulfikar group, Mir Murtaza Bhutto, son of executed premier Zulfikar Ali Bhutto and brother of Shahnawaz Bhutto, who died in France last July in mysterious circumstances. [Text] [Paris AFP in English 2015 GMT 28 Dec 85 NC] /12712

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